

BUSINESS WEEK

YEAR
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START
OF WAR
1939

BUSINESS
WEEK
INDEX

TWENTY CENTS • PUBLISHED BY THE MCGRAW-HILL



★ ★ ★ ★ ★ ★ ★

Who's ashamed of America ?

TO hear some people talk you'd think the America of the past was something horrible, something that needs to be changed to some European Utopia.

True, America had depressions. It also had the highest standard of living of any country in the world.

Yes, America had unemployed. But it was also the only place on earth a workman could rise as far and fast as he wanted his ability and energy to take him.

America had men with huge fortunes. But with almost no exception those fortunes were built by creating millions of jobs that would never have existed otherwise, at far higher pay than workmen ever got anywhere else on earth.

Admit that America wasn't perfect (is anyone or

any place?)—but in correcting the fewer evils watch out you don't destroy the greater advantages.

Millions from every nation flocked to America because this was the one spot on earth where there was opportunity, where a man could prosper in proportion to his ability and willingness to work. Security need not be purchased at the cost of opportunity. If you and everyone you can influence will produce more efficiently, you reduce the cost of what you produce; the lower its cost, the more people there will be who can buy it; the more people who buy it, the more secure your job.

That is the way to security *and* opportunity, and history ought to prove to you that you can't have either in any other way.

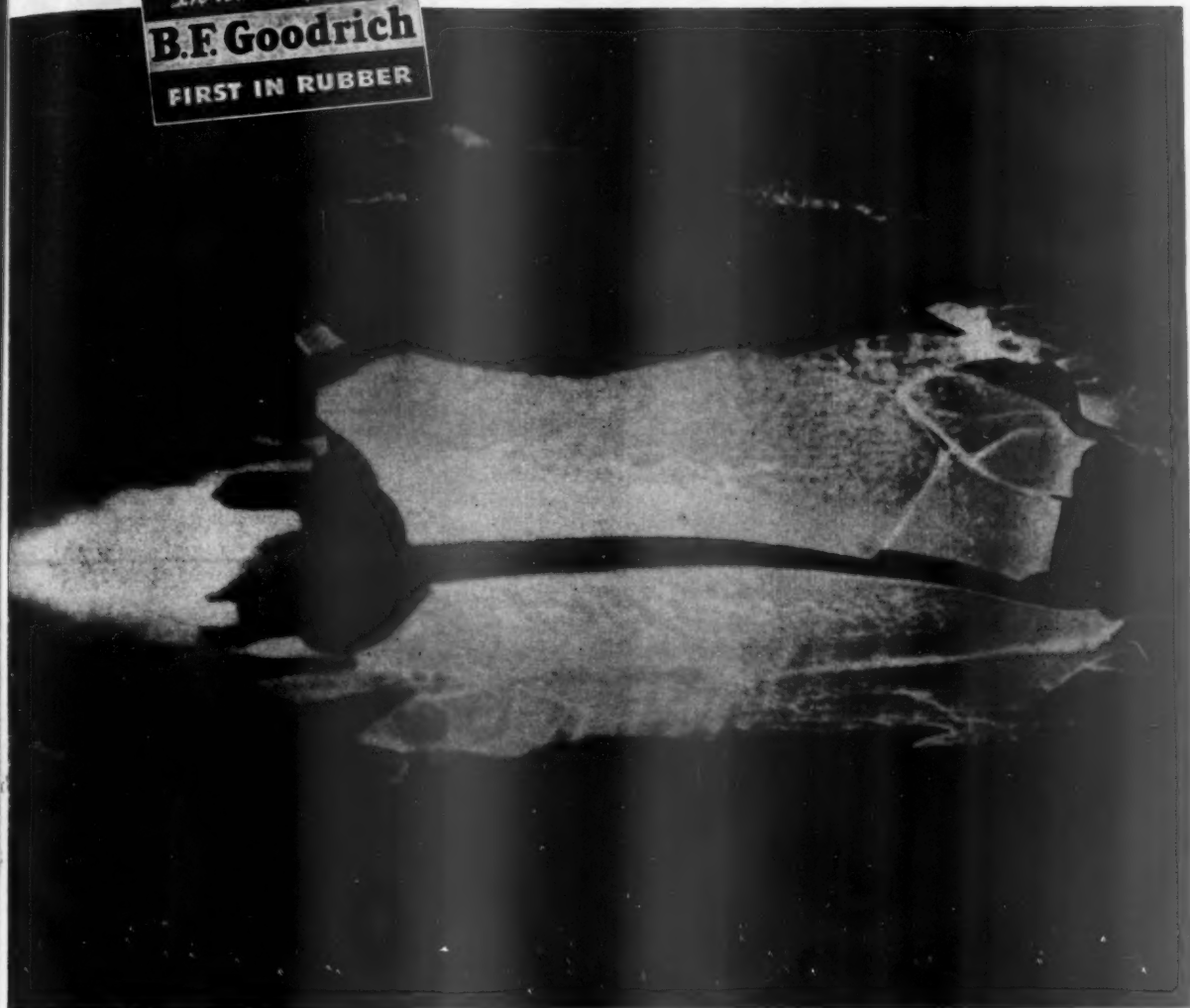


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In war or peace
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It flips off ice by expanding its chest

A typical example of B. F. Goodrich development in rubber

ICE CAN REDESIGN an airplane in the air. The original designer figured every part to the thousandth of an inch and ounce; along comes an ice storm and adds inches and pounds in the wrong places.

Years before the war B. F. Goodrich invented the De-Icer—a rubber strip that fits over parts where ice sticks, and that expands and contracts with air, as your chest does in breathing, and so breaks off ice as fast as it forms.

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in De-Icers have come even faster. Static electricity was puncturing the rubber tubes; B. F. Goodrich engineers developed a special rubber that conducts electricity and "bleeds" it off into the air.

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have been able to make this De-Icer so much a part of the plane itself that it does not affect the flying qualities at all.

This new De-Icer illustrates a B. F. Goodrich principle—nothing made of rubber or synthetics is ever "good enough"; development work on standard as well as special products continues in these laboratories day and night. It always has; our pledge to industry is that it always will. *The B. F. Goodrich Company, Industrial Products Division, Akron, Ohio.*

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RUBBER and SYNTHETIC products



ILLUSTRATED above is a handling operation essential to supplying a fighter-bomber assembly line. It is the kind of job for which the truck must be continuously on duty throughout every shift.

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Altogether the battery industrial truck is one of the most dependable and economical types of handling equipment — especially when powered by Edison Alkaline Batteries. With steel-cell construction, a solution that is a preservative of steel, and a foolproof electrochemical principle of operation, they are the longest lived, most durable and most trouble-free of all batteries. *Edison Storage Battery Division of Thomas A. Edison, Incorporated, West Orange, New Jersey.*



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ALKALINE BATTERIES

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WASHINGTON BULLETIN

Election and Business

Roosevelt's reelection doesn't, by any necessity, mean four lean years for business. His election was cinched by his foreign policy and his record as commander-in-chief. There was nothing in the campaign itself to bind him to a postwar Deal. Of course the labor vote that went largely into F.D.R.'s pocket was an endorsement of his past domestic policies as a strong expression of hope in things to come. And labor leaders will follow through on what they claim is their victory at the polls. However, the President's big domestic objective will be to encourage a high-wage, high-consumption postwar economy. It should not be assumed that he will let labor crowd him into extreme policies that would put the brakes on the economic machine. Almost certainly not a candidate for a fifth term, and with his eye on his place in history, the President can now afford some independence of the special groups that have supported him in four elections. And if he should surrender to labor pressure, a still largely conservative Congress can be counted on to pull him up short (page 15). All bets are off as to Roosevelt's course on domestic policies, of course, if business shows signs of faltering.

Vinson Moving Up

With a new lease on the White House, the Administration has some neglected housekeeping to do. Retirement of James F. Byrnes will move Fred M. Vinson into the job of Director of War Mobilization and Reconstruction. Vinson will probably take with him his job as economic stabilizer. The only apparent replacement in this post was Price Administrator Chester Bowles. Bowles' friends say that he pulled himself out of this some time ago. Whether he did or not, his refusal to jump for Roosevelt—because of his desire to assure OPA of nonpartisan support in Congress—has put him out of the running. The basic framework for converting the country to a peacetime footing will be completed with appointment of the Reconversion Surplus Property Board and executive director for that operation. Brig. Gen. Frank T. Hines, now operating under an executive order, will be reappointed as Director of Retraining & Re-employment under the recon-

version law passed by Congress in September. However, Hines will probably be replaced in January. His interest is largely confined to veterans' welfare, and plans are on foot to build this job up into that of "work director" suggested in the Baruch-Hancock report (BW—Feb.26'44,p17).

Little Steel Politics

The Little Steel wage issue, staved off by Roosevelt for months, should be clarified within the next three weeks. Both the A.F.L. and the C.I.O. go into annual convention Nov. 20. Unless the President has made concessions by that time, he can expect a blast from both. If V-E Day seems as far off then as it does now, he probably will stand pat and let them shoot. If the military outlook improves markedly—or if Roosevelt decides to accede to labor's pressure regardless of the news from the front—he can be expected to act before the end of C.I.O.'s convention, which adjourns a week earlier than the A.F.L.'s. Otherwise, it would appear that he was favoring A.F.L. to the prejudice of Sidney Hillman's Political Action Committee, which has demonstrated its usefulness as a vote-getting machine.

Farmers Weaken on Wages

Farm organizations, which in the past have resented the Administration's favors to labor, are quietly reversing their stand on the wage issue. Farmers are worried about the reductions in wartime pay envelopes which will come with reconversion. A drop in labor's income is expected to have an immediate—and painful—effect on food consumption.

Two States Ban Closed Shop

On the basis of incomplete but significant returns, it appears that proposals to outlaw closed shop labor contracts by constitutional amendment (BW—Oct.28'44,p20) have been adopted by Arkansas and Florida, but rejected by the big war-industry state of California. Washington state seemed to have rejected a proposal to authorize public utility district commissions (PUDs) to unite for the purchase and operation of privately owned power systems (BW—Oct.21'44,p36). One-third of the state's total vote gave 107,448 for expanding the authority of the PUDs, 144,154 against.

Nebraska voted two to one against state prohibition, and also turned down mandatory earmarking of gasoline tax revenues for exclusive expenditure on highways.

Ration Revision in the Works

Voters who went to the polls on a full stomach may have to tighten their belts soon. Many ration-free meats and some processed foods, which were taken off rationing (BW—Sep.9'44,p7), will get point values again.

The Office of Price Administration has already put naphtha, a third-grade fuel being used by midwest car owners (BW—Oct.21'44,p8), on the ration list. The announcement was made last Wednesday morning.

In spite of this activity, a general reduction in OPA's rationing personnel has been ordered. Officials who have been kept in reserve in case clothing (and other goods) should be rationed will be let out or transferred to other jobs.

Coffee Price Rise Likely

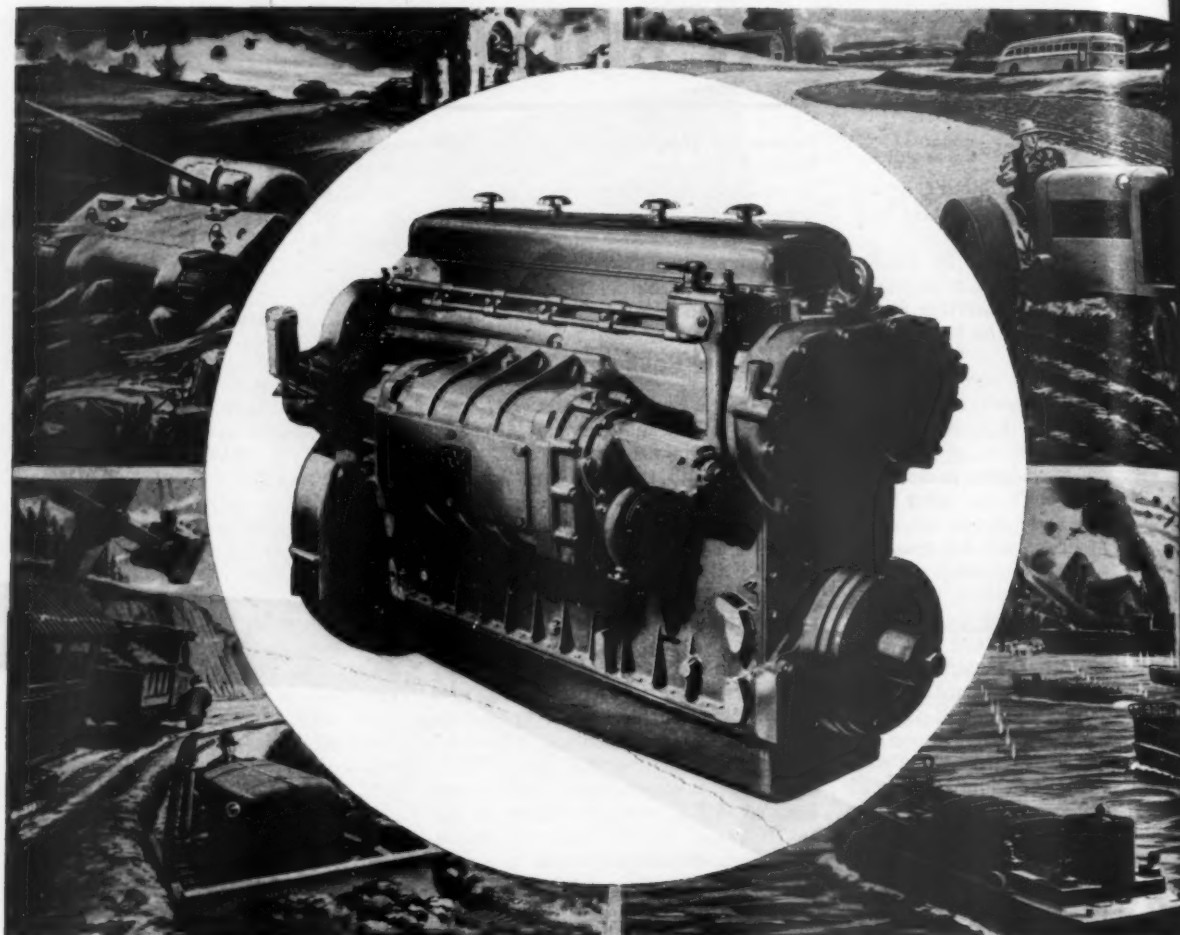
Another likely postelection move is an increase in coffee price ceilings. This possibility is being denied, but the tip-off is OPA Administrator Chester Bowles' failure to come out and announce that coffee prices will go no higher—although he has been urged to do this in order to refute rumors in the trade.

OPA claimed this week that it is going to save cigar smokers \$50,000,000 a year. Here's how OPA has it figured out: Permitting a price increase from 6¢ to 7½¢ in "nickel" cigars will bring them back on the market, thus enabling smokers to shift back from the 15¢ brands to which they have been forced to resort, save the difference.

New Idea in Price Supports

A new scheme of government price support for farm products is now taking shape in the minds of a few farm organization leaders. Thus far, it appears to have few chances of winning broad endorsement.

Prices of most basic farm crops are supported at a high fixed percentage of parity (in general, the range is 85% to 95%). The obvious bug in this setup is that it encourages overproduction, eventually brings the government up



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the disagreeable necessity of control.

suggested alternative is floors set on "top loss" basis. This plan would permit fluctuating for fixed percentage parity with fluctuations based on factors as the size of carryover and related demand.

if the carryover from a crop year and expected demand not big enough to absorb it, support prices would slide to the point where they just cover losses.

Cutoff Date Likely

Contractors who want to know when their 1945 business may have to end six months or more to find out for The present law sets Dec. 31, 1945, as the cutoff date for renegotiation but the President has authority to extend it for six months.

Army and Navy want the extension but think that it is administratively impractical to renegotiate half a year's business. Odds are that they will ask Congress to extend the cutoff date to Dec. 30, 1945, then take a look next year at the volume of war business.

They find that V-E Day cuts have reduced war orders so much that industry is working on a competitive basis. They will restore the old cutoff date retroactively. If they think war profits are still big enough to generate excessive profits, they probably will ask for legislation extending renegotiation to the end of 1945.

Tax Relief Policy

Lawyers can bury any lingering doubt that the much-debated relief provisions of the excess-profits tax will prove a loophole big enough to drive a business through. This much is clear from the bulletin on excess-profits tax (Sec. 722 of the Internal Revenue Code) released this week by the Bureau of Internal Revenue.

The Treasury expects a flood of applications in the 34,000 applications for relief now on file. It probably will approve plenty of them, but it intends to make every corporation back up its claim with convincing proof.

Equalizer for Base Periods

The general idea of Sec. 722 is to give corporations that made an unusually bad showing during the years

taken as the base period for excess-profits tax computations.

The Revenue Bureau's new bulletin will be a bible for tax experts, probably for several years to come. Experts will take weeks to work it over and digest the fine points.

Copies are not yet ready for general distribution. When available, they will be handled by the Superintendent of Documents.

Rails Expected Rate Action

Railroad lawyers weren't surprised by the Supreme Court's order requiring them to answer the State of Georgia's complaint attacking regional freight rate differentials. Even the most optimistic railroad men hadn't expected the court to throw the state out on its ear without holding a hearing.

The roads are more concerned at

present about the long-pending decision of the Interstate Commerce Commission in the southern governors' rate case. All the arguments and reports in this case have been completed, and experts think the decision can't be delayed much longer. Most of them are betting that the ICC will go at least part way toward rate equalization.

OPA to Scan Dairy Pricing

A cleanup of OPA's troubles on butter and cheese will follow announcement of Arnold J. Burke's imminent resignation as head of the dairy products section.

High sources in OPA say Administrator Chester Bowles will have Burke's entire pricing policies and regulations scrutinized to see if they're operated to favor big cheese processors and integrated operators, such as Kraft and

A Steelman for a Perkins?

One postelection change in the cabinet seems definite—the retirement of Secretary of Labor Frances Perkins. That was a confident prediction in 1940. It is made with more confidence in 1944, as a successor seems in sight: John R. Steelman.

• **Plans Indefinite**—Dr. Steelman has resigned as chief of the U. S. Conciliation Service, the tail that wags the dog in the Labor Dept. He disavows any desire to succeed the disaffiliated member of the cabinet, but his "plans are indefinite for a month or two."

It's natural enough, of course, that Steelman would be looking forward to his "first vacation in ten years." But regarding his plans after that he talks vaguely of a labor relations job or heading a department of labor relations in some university.

• **Has Good Record**—Steelman is liked and respected in the A.F.L., C.I.O., and industry; he has won the favor of Congress, and has been frequently mentioned in the past as an acceptable successor to Miss Perkins. The strike-preventive work of Steelman and his organization has a noteworthy record of promoting good management-labor relations since he came to the job in 1937.

Steelman's resignation has been on Miss Perkins' desk since last July. Its acceptance comes at a time when

the Budget Bureau, the President's powerful administrative arm, is working on a plan to revivify and enlarge the Labor Dept.

• **Would Unify Agencies**—This plan contemplates consolidation in the department of the National Labor Relations Board and all other government agencies and activities concerned with labor matters.

Steelman's successor in the Conciliation Service will be a dark horse. Speculation hasn't linked any names to the job. It is expected to go to somebody outside the Labor Dept. unless Steelman gets the cabinet post.



Working Hand-in-Glove for ECONOMY!

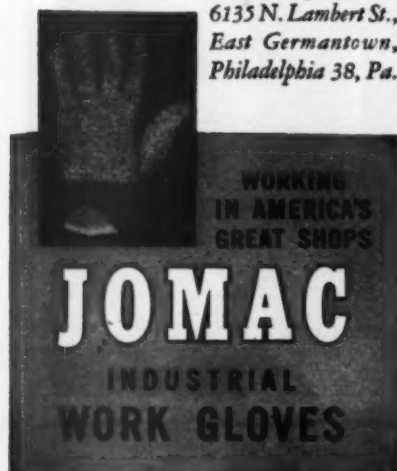


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Borden, as against independent cheese makers and distributors (BW—Sep. 2 '44, p93).

They will also be checked to see if butter has been detrimentally priced to favor the manufacture of other dairy products, or if its production can be increased by bringing fluid cream under price control (page 22).

Bowles Courts Farm Bloc

Administrator Chester Bowles is mending OPA's political fences against the day when the price control act (which expires next June 30) comes up for renewal. He is courting the Big Four farm organizations—the National Grange, the Farm Bureau Federation, the Farmer Co-op Council, and the Milk Producers' Co-op.

Representatives of the Big Four already have attended two of a projected series of joint monthly meetings with OPA and War Food Administration chiefs. At both meetings, the atmosphere was cordial.

There are two important reasons for this cordiality:

(1) In return for tempering its opposition to OPA, the farm bloc obviously is counting on a quid pro quo—in the form of continued high support prices for agricultural commodities.

(2) If price controls were to get out of hand at this stage in the war, farmers might face sky-high prices of durable goods, of which they are large consumers, while food prices were dragged down by surpluses.

Capital Gains (and Losses)

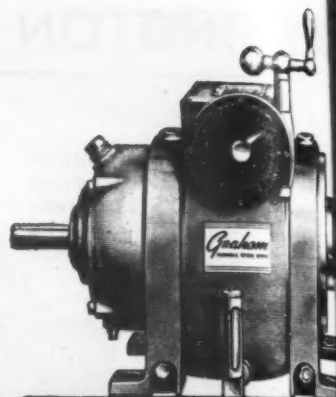
With his electioneering mission successfully ended, New York's Mayor Fiorello LaGuardia will be on the way to Italy in a matter of days to take over that long-rumored administrative job.

The Justice Dept. progressed one step further in its campaign against the nation's three largest food chains this week when the Supreme Court refused review of an appellate court's decision reinstating the antitrust indictment against Safeway Stores, Inc. (BW—Sep. 2 '44, p95). The Supreme Court has not yet ruled on a similar appeal by Kroger Grocery & Baking Co. The case against the Great Atlantic & Pacific Tea Co. will go to trial soon after the first of the year.

—Business Week's
Washington Bureau

THE COVER

No longer in doubt over the outcome of the 1944 presidential election, Congress takes up where it left off (page 15).



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THE OUTLOOK

BUSINESS WEEK
NOVEMBER 11, 1944



Business indicators once more are becoming signposts that want watching. That's quite a change. For the better part of a year now, most major lines have been about at capacity. But the picture is changing.

Over-all volume of business activity has declined ever so slightly since late in 1943. **Today the dip is becoming apparent in all lines.**

Time-honored business yardsticks such as steel production, railroad freight traffic, and electric power output finally confirm the down-trend in other lines. The broad picture is graphically presented on page 16.

•
Gross value of all business transacted in this country has risen because prices have risen. Volume, however, has declined for the simple reason that we haven't the hands to keep up to the peak of last November.

Total factory employment hit top last autumn, has slid sharply since the turn of the year. Longer hours, improved utilization, and rising efficiency of the labor force have cushioned over-all business volume.

But there is a limit to the improved use of labor. As we became more accustomed to making planes and tanks, we exhausted the shortcuts. And, in familiar civilian-goods lines, we had less room for improvement.

Steel and power and freight movement—which cut clear across American industry—bear out an old Business Week forecast (BW—Feb. 6 '43, p13) of a turn in the tide after the late months of 1943.

•
War production has been maintained on a plateau just under its top but will begin to point downward fairly sharply at the end of the year.

We aren't meeting war schedules (the detailed breakdown for September shows deficits up to 11% in one category, an over-all shortage of 4%) because we don't need to in most types of equipment. Our fighting men will suffer for lack of few munitions if, indeed, for any at all.

Yet, even with cutbacks and strict manpower controls, the War Production Board and War Manpower Commission are hard put to meet requirements of a few new programs and those that have been stepped up sharply.

•
Very high manpower priorities have been placed on greatly expanded rocket gun ammunition and artillery shells all the way from 81 mm. to 240 mm.

Army and Navy have found it very much cheaper to blow the enemy out of prepared positions than to go in and dig him out. The infantry's 8-in. gun and 240-mm. howitzer prove that trend (BW—May 6 '44, p10).

Our aircraft are firing more and more rockets into supply ships and ground positions. All types of landing craft can fire rockets as they close in because there's no recoil to bother even the smallest vessels.

The improved bazooka is getting its share of attention, too.

•
As long as there are lagging military programs, civilian industries will feel the squeeze, tighter and tighter.

That's a factor in pulling railroad freight traffic below a year ago. Loadings of "miscellaneous" goods are down quite appreciably.

However, there is another—and rather surprising—freight factor. **With record grain crops this year, less has been moving to market than in 1943.**

The main reason is that we had a lot of old wheat on hand in 1943 but have relatively little this year. Carryover plus new crop last year was slightly larger than the 1944 total. Moreover, buyers now are somewhat disinterested,

THE OUTLOOK (Continued)

BUSINESS WEEK
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whereas last autumn they fell all over themselves in bidding for grain.

●
Consumers continue to have more dollars to spend than they had last year.

This may seem strange in view of the gradual decline in business activity. **It is due in large part to high government payments to servicemen and their dependents and to gradually rising demobilization benefits.**

By the same token, **national income will be supported by a variety of factors, including federal outlays, when the big cutbacks come.** Consumers, of course, also will have their savings to draw upon.

●
Agricultural income, like retail sales, is slow to decline, but it would now appear that the turn is near, that 1944 will set the record.

Farmers' cash receipts recently have been topping year-ago levels by less and less substantial margins. Prices are a shade under 1943.

While many analysts are predicting that farm prices next year will recede 10% to 15%, the Dept. of Agriculture's Bureau of Agricultural Economics guesses 5%. Such a decline in farm prices, opines the BAE, should just about offset expected rises in other commodities.

●
Efforts to dispose of surplus American cotton may be helped temporarily by the very serious spring (September-October) drought in Brazil.

The Rio de Janeiro government recently raised its loan rate from 10.9¢ a lb. to 14.8¢. It stipulated that 20% of cotton land should go into food crops, but a jump in cotton acreage was expected nevertheless.

Now weather has taken a hand in farmers' planting intentions. Preparation of soil for cotton has been virtually impossible. Final outcome cannot yet be guessed, but a big harvest is highly doubtful.

Subsidized exports of United States cotton, meanwhile, will hasten the day either of cut-throat competition or of an international conference on division of markets between producing nations (BW—Sep.30'44,p10).

●
For a birdseye view of postwar federal fiscal policy, you might skim through a booklet just published by the Chicago Assn. of Commerce.

The Chicagoans decided against making their own predictions, studied instead all the estimates that had come to their attention. They compare, in tabular form, those chosen as the most meritorious.

Included also are excerpts from the views of several authorities who haven't prepared detailed plans. Main comment by the association on its own account is **one firm vote against federal "spending for its own sake."**

●
Two plants that probably will be among the latest in the aircraft industry to feel deep cutbacks are Boeing's Seattle and nearby Renton plants.

Reason: These two Boeing plants on Wednesday announced receipt of orders for an additional 1,000 B-29 Superfortresses.

●
Canadian producers are afraid Britain will cut its copper purchases from the Dominion sharply before the end of this year. The U. S. metal trade suspects the United Kingdom is overstocked on the red metal.

The domestic situation, too, continues to show signs of easiness. **WPB is promising consuming industries that all restrictions on the use of copper will be removed just as soon as we win in Europe.**

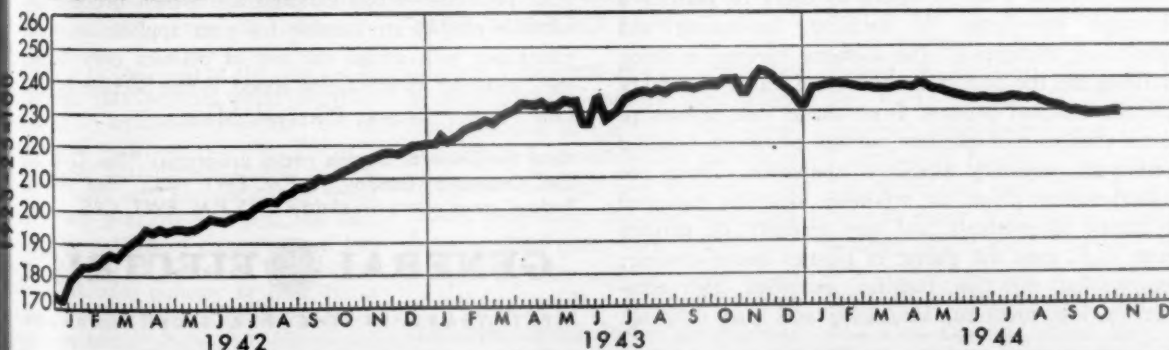
FIGURES OF THE WEEK

	§ Latest Week	Preceding Week	Month Ago	6 Months Ago	Year Ago
THE INDEX (see chart below)	*230.8	†231.1	230.3	237.9	237.0
PRODUCTION					
Steel Ingot Operations (% of capacity)	96.3	94.9	96.9	99.4	98.2
Production of Automobiles and Trucks	21,595	21,035	16,865	15,635	19,585
Engineering Const. Awards (Eng. News-Rec. 4-week daily av. in thousands)	\$3,827	\$5,785	\$5,595	\$6,759	\$7,866
Electric Power Output (million kilowatt-hours)	4,355	4,358	4,375	4,234	4,414
Crude Oil (daily average, 1,000 bbl.)	4,720	4,741	4,692	4,519	4,389
Bituminous Coal (daily average, 1,000 tons)	2,025	1,967	2,013	2,060	1,671
TRADE					
Miscellaneous and L.C.L. Carloadings (daily average, 1,000 cars)	88	88	88	83	86
All Other Carloadings (daily average, 1,000 cars)	65	63	64	59	61
Money in Circulation (Wednesday series, millions)	\$24,409	\$24,216	\$23,881	\$21,614	\$19,354
Department Store Sales (change from same week of preceding year)	+11%	+8%	+12%	+18%	+11%
Business Failures (Dun & Bradstreet, number)	11	15	27	42	42
PRICES (Average for the week)					
Spot Commodity Index (Moody's, Dec. 31, 1931 = 100)	247.3	248.2	250.0	249.6	244.0
Industrial Raw Materials (U. S. Bureau of Labor Statistics, Aug., 1939 = 100)	166.2	166.3	166.0	162.7	160.7
Domestic Farm Products (U. S. Bureau of Labor Statistics, Aug., 1939 = 100)	222.6	224.6	225.5	222.1	213.7
Finished Steel Composite (Steel, ton)	\$56.73	\$56.73	\$56.73	\$56.73	\$56.73
Scrap Steel Composite (Iron Age, ton)	\$15.92	\$15.75	\$16.08	\$19.17	\$19.17
Copper (electrolytic, Connecticut Valley, lb.)	12.000¢	12.000¢	12.000¢	12.000¢	12.000¢
Wheat (No. 2, hard winter, Kansas City, bu.)	\$1.60	\$1.61	\$1.62	\$1.64	\$1.55
Sugar (raw, delivered New York, lb.)	3.75¢	†3.75¢	†3.75¢	3.74¢	3.74¢
Cotton (middling, ten designated markets, lb.)	21.30¢	21.39¢	21.71¢	20.95¢	19.70¢
Wool Tops (New York, lb.)	\$1.340	\$1.340	\$1.340	\$1.300	\$1.270
Rubber (ribbed smoked sheets, New York, lb.)	22.50¢	22.50¢	22.50¢	22.50¢	22.50¢
FINANCE					
90 Stocks, Price Index (Standard & Poor's Corp.)	102.6	101.5	102.9	95.9	91.1
Medium Grade Corporate Bond Yield (30 Baa issues, Moody's)	3.55%	3.54%	3.55%	3.65%	3.84%
High Grade Corporate Bond Yield (30 Aaa issues, Moody's)	2.73%	2.73%	2.72%	2.73%	2.71%
Call Loans Renewal Rate, N. Y. Stock Exchange (daily average)	1.00%	1.00%	1.00%	1.00%	1.00%
Prime Commercial Paper, 4-to-6 months, N. Y. City (prevailing rate)	½%	½%	½%	½%	½-¾%
BANKING (Millions of dollars)					
Demand Deposits Adjusted, reporting member banks	37,587	37,438	35,383	34,649	31,774
Total Loans and Investments, reporting member banks	53,914	54,088	54,436	50,674	52,642
Commercial and Agricultural Loans, reporting member banks	6,247	6,183	6,091	6,035	6,458
Securities Loans, reporting member banks	2,657	2,474	2,480	1,882	2,633
U. S. Gov't and Gov't Guaranteed Obligations Held, reporting member banks	39,656	40,092	40,506	37,613	38,071
Other Securities Held, reporting member banks	2,887	2,889	2,931	2,805	2,874
Excess Reserves, all member banks (Wednesday series)	900	800	900	794	1,084
Total Federal Reserve Credit Outstanding (Wednesday series)	18,265	17,899	17,099	13,730	9,835

Preliminary, week ended November 4th.
Ceiling fixed by government.

† Revised.
§ Date for "Latest Week" on each series on request.

BUSINESS WEEK INDEX OF BUSINESS ACTIVITY





MORE THAN EQUIPMENT

It takes more than equipment to manufacture plastics parts. General Electric offers to users of plastics a thorough knowledge of molding, laminating and fabricating techniques. The General Electric molding facilities are the largest in the United States—a total of thirteen hundred presses, from single ram presses of seven tons to multiple ram presses of fifteen hundred tons with necessary auxiliary equipment. There are manufacturing plants at strategic locations equipped to handle all methods and any quantity of plastics parts. G.E. runs the gamut of plastics manufacturing: compression, injection, transfer, extrusion, high pressure or low pressure, laminating and cold molding.

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GENERAL  ELECTRIC

FD-311

FIFTY YEARS IN THE PLASTICS INDUSTRY

INSURE YOUR FUTURE BY BUYING WAR BONDS AND SAVING THEM

Capitol Hill vs. F.D.R.—Again

In Congress, the conservative coalition still counts in domestic questions, and the inland vote is important in judging the legislative trend. What to look for on key issues.

The groups that reelected Roosevelt will not dominate Congress on the vital issues posed by the ending of the war. This schism between the people, and between the White House and Capitol, is fundamental, coloring both domestic and foreign policies.

Geographical Rifts—In a general way, this division is also geographical. The Atlantic fringe and the Pacific rim voted hardest for Roosevelt, the New Dealer. The crowded labor population of the original states, whose industrial economy is static, wants more social security. Its desires are pointed towards redistribution of wealth. The same is true of a considerable portion of the present-day migrants to the West Coast.

This appraisal, of course, is not an attempt to ignore victories scored by Roosevelt in some inland states, which can be attributed, in the main, to supporters of his peace policy, and to dispersion of the labor vote.

Still on Its Own—But the election does underline the fact that the country's interior, virile and rich in resources, continues to be more strong-minded about going on its own, striving for its own future prosperity. Only the unrest of its growing labor population, if the early period of postwar peacetime prosperity wanes, will force the interior states generally to join in the demand for more social reform. Until then, the interior will vote a free rein for its economy. And, with the South, whose political conservatism has not yet been broken by its relatively depressed economy, it will prevail in Congress during the crucial early stage of Roosevelt's fourth term.

Only a sudden end of the war would obliterate this picture, paint another. It could be trampled under the feet of millions of returning veterans. But as it is probable that demobilization will be gradual, jobs will be waiting for those who return over the next year. By that time, the pattern of domestic and foreign policies is likely to have been fixed—domestic policies at least for a while, foreign policies probably for a longer period.

Coming Senate Battle—There is no doubt that, by reason of an admitted

bipartisan community of interest in post-war international political cooperation, the Administration can obtain Senate adherence to some sort of collective security pact based on the Dumbarton Oaks proposals. It is even possible that the Senate may swallow the core of this apple—subordination of national sovereignty—and delegate authority to vote the use of force against aggression, without a time-consuming referendum by Congress.

An awareness by millions of people of the importance of this country's role in postwar world affairs characterized

the campaign. A presumably strong element in Roosevelt's favor was the claim that he was better able than Dewey to mobilize a two-thirds vote of the Senate. The ranks of the isolationists have thinned, but it will be Roosevelt's greatest battle since his defeat on packing the Supreme Court in 1937, and the most crucial for the nation since Wilson's defeat on the League of Nations.

Benefits to War Workers—An increase in unemployment compensation benefits to released war workers, rejected by Congress this session, probably will be defeated again by a conservative coalition of Democrats and Republicans.

The same coalition can be expected to stave off labor's demand for prompt action by Congress on Roosevelt's extended cradle-to-grave social security program. The day will probably come, however, when the conservatives, either in sheer self-defense or in the mere pur-



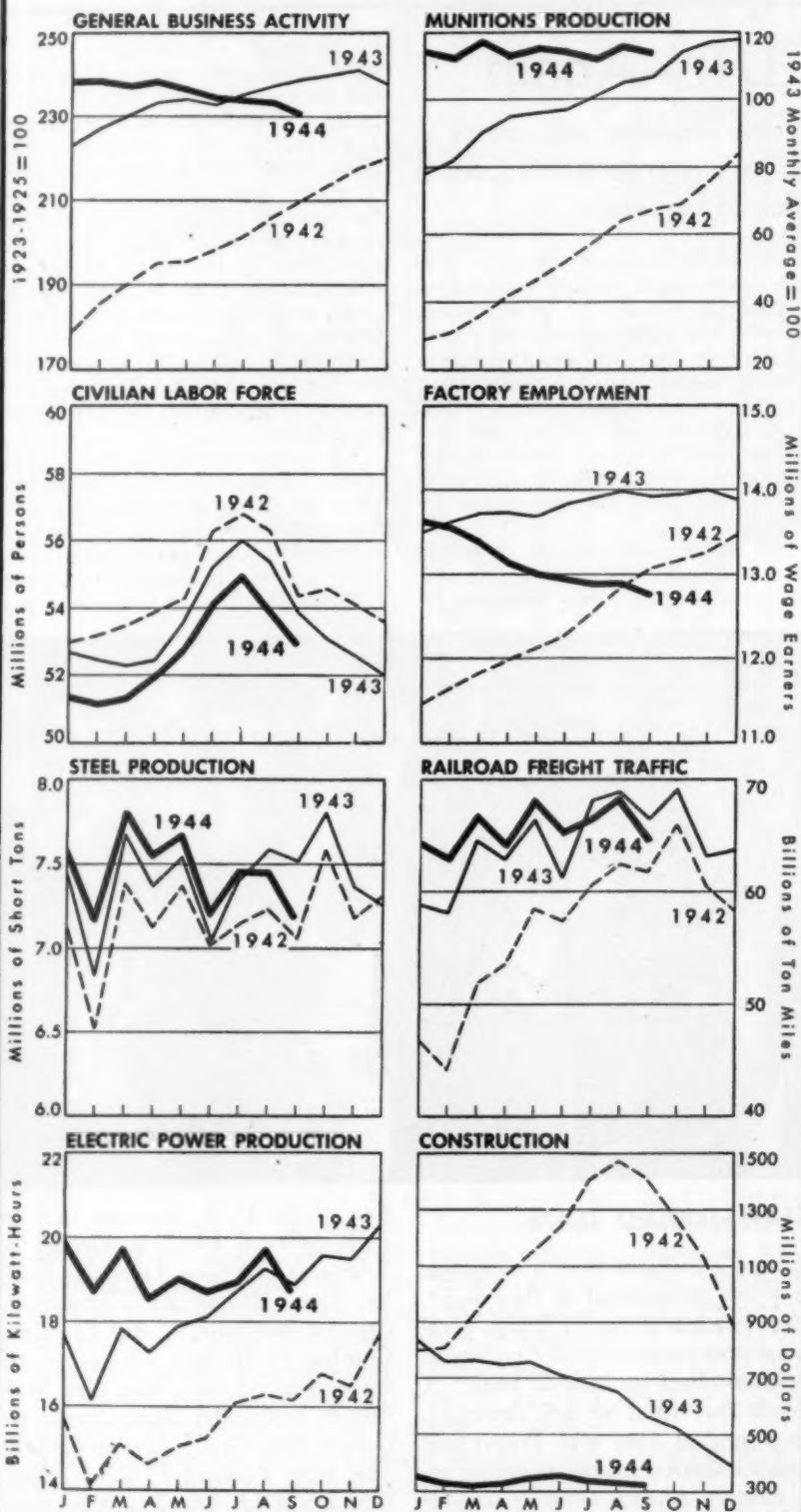
STAR-STUDDED TEAM

Sparing a moment from a campaign as trimly streamlined as their waistlines, generals of the U. S. high command pose for a memorable picture in Belgium—then go back to work. A closely knit team, the field strategists have meshed gears with British and Russian high commands in setting up a military cordon sanitaire around Nazi-held regions, jockey for position before opening the flood gates of Allied might—the final advance. Big

four of the U. S. team are (left to right—bottom) Lt. Gen. George S. Patton, Jr., Lt. Gen. Omar N. Bradley, Gen. Dwight D. Eisenhower, supreme commander, and Lt. Gen. Courtney H. Hodges. The rest of the varsity (second row): Maj. Gen. William B. Kean, Maj. Gen. Charles H. Corlett, Maj. Gen. J. Lawton Collins, Maj. Gen. Leonard T. Gerow, Maj. Gen. Elwood R. Quesada, (third row) Maj. Gen. Leven C. Allen, Brig. Gen. Charles E. Hart, and Brig. Gen. Truman C. Thorson.

IN THE OUTLOOK (page 9):

THE DECLINE IN BUSINESS



Data: War Production Board, Dept. of Commerce, Dept. of Labor, American Iron and Steel Institute, Edison Electric Institute.

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suit of their own political security, we adopt this measure.

Sidney Hillman's Political Action Committee will not shut up shop simply because Roosevelt is not likely to head its slate in 1948. How long the conservatives will be able to keep the militant labor army at bay will depend greatly on the performance of business in the early postwar period. If jobs get scarce later on, and a conservative administration, either Republican or Democratic, should follow this one, it would have serious trouble.

• **That World New Deal**—More doubtful than Senate indorsement of the swift use of U. S. troops against an aggressor nation is its adoption, in an effective form, of an international trade agreement, extensively reciprocal and strongly free trade, which the Administration will uncork after exploring the ground with Britain and Russia. If our political insularity has been neutralized, our economic insularity has not been diluted nearly so much.

Affection for Britain is not warm and the dislike and fear of the Russians though slumbering, are strong, particularly in the interior. Farmers are still strong protectionists, and by no means the whole of industry believes that industrialization of foreign countries will create larger export markets.

The United States is seeking a highly favorable place in international airline and shipping operations. It is in a strong position to press its demands, but it will unquestionably engender active antagonism abroad if it refuses to become a big customer for imports.

• **Business Attitudes**—In regard to giving business its head in the scramble for prosperous peacetime operations, there's not going to be much real difference in the practical attitudes of the White House and Congress, or in effective party views. There may be a few New Dealers who would like to see business fall on its face, in order that the Administration might retain wartime controls in the postwar economy, but the voice of these malcontents is small.

The Administration can be counted upon to throw its weight for a high-wage, low-price philosophy as the best insurance against another depression when the lush trade fed by wartime savings peters out, but there has been nothing but straightforward assurance that wartime controls will end with the war. Congress would not tolerate their continuance in any case.

• **Antitrust Action**—Roosevelt is countenancing a vigorous antitrust program. Congress is opposed to crude monopolies, but may possibly step in if the antitrust drive becomes too much of an irritant. An effort will be made, fairly effective probably, to prevent any ex-

Portland Stalks Postwar Specter

Overrun by migrant shipyard workers who have grown to like the place, Oregon's industrial capital faces a relief problem of overwhelming proportions—possibly a serious depression.

If Henry Kaiser, the miracle man, has any miracles left in his bag, the people of Portland, Ore., hope that he saves one whopper for peacetime.

● **Hangover Feared**—For many persons in that war-bloated area along the Columbia and Willamette rivers who have seen the population increase by almost one-third since Pearl Harbor believe that it will take a miracle to avert a chaotic hangover.

There is logic in their fear, logic buttressed by the cold statistical story of how Portland, Ore., Vancouver, Wash., and the ten-mile thumb of land between them have been overrun by horny-palmed men and tin-helmeted women from 40 states, answering the call of patriotism, or high wages, or both.

● **No. 1 Problem**—How to absorb these people into the Portland economy, or—better still, from a narrow point of view—how to thank them and send them home, is the No. 1 problem in the No. 1 problem city of the area with the most debatable postwar future, the Pacific Northwest.

In 3½ years, from Apr. 1, 1940, to Nov. 1, 1943, the population of the Portland metropolitan area rose from just short of 500,000 to 650,000, an increase of 30.2%. In the same period, the statewide population of Oregon rose only 7.8%; of Washington, 10.8%. On the books of the Census Bureau, the Portland-Vancouver area is one of the ten most war-swollen industrial districts in the United States.

Before the war, manufacturing em-

ployment in Portland was a scant 28,000. Today, factory employment in the metropolitan area is 150,000; and of these, Kaiser hires 92,000 at his Oregon Shipbuilding, Vancouver, and Swan Island shipyards; three smaller shipyards account for another 23,000.

● **Prospects' Worry**—When recruiting agents for the shipyards were barnstorming the country two years ago, the thing which seemed to worry job prospects most was whether they could be sure of getting back home after the war.

But now the migrants have come to like the City of Roses, its even, cool climate, its impressive river and mountain vistas. Fifty-one percent of them like it well enough to want to stay (BW—Mar. 4'44, p110), and that threatens an overwhelming relief problem, a deeper and longer depression than is likely to engulf most other U. S. cities.

● **Business Was Cautious**—If it weren't for the prospect of some 70,000 migrants hanging around after the war, flooding the labor pool, and probably offering their services at cut rates, Portlanders figure they could get through the transition from war to peace in pretty good shape, because during the war boom local business hasn't got too big for its postwar britches.

Service industries have been cautious about overexpansion. For example, Portland had 850 groceries in 1939; it has only 700 now. Beer parlors have added a blue-plate special because there are fewer restaurants. Jewelry sales, which boomed with the first flood of



Grim and desolate without trees, or even sidewalks, the McLoughlin Heights housing project at Vancouver, Wash., is virtually a shantytown of

12,389 flimsy units. But apparently many of its emigrant tenants have nothing better to go "home" to, plan to remain in the Portland area.

mitation of surplus war plant capacity groups now considered monopolistic. In any case, for what government favoritism may be worth, both the White House and Congress are committed to help small business.

The war's momentum probably will sustain for Roosevelt the extension, with new restrictions, of the War Powers Act which expires Dec. 31.

The Stabilization Act (wage and price control) and the Lend-Lease Act are in much more vulnerable position because they don't expire until next July. If price controls are wrecked, labor will insist on freedom.

● **Lend-Lease Issues**—The Administration is apparently anticipating strong opposition to lend-lease by keying operations in 1945 to a diminishing scale. This will put Roosevelt in a stronger position to ask for its continuance as long as the Japanese war lasts. Skillfully handled, however, lend-lease can be used for international economic manipulation in the early stages of the reconstruction of war-gutted countries, and the opposition knows this.

Compulsory military training will become a contentious issue early in the new Congress. To predict that it will pass is hazardous, but that looks likely.

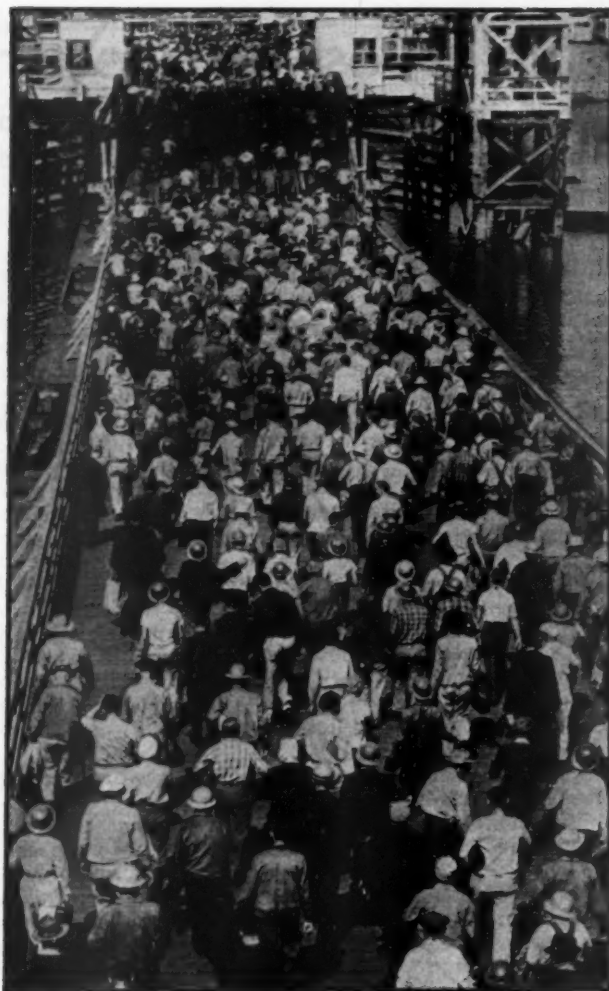
● **Taxes After V-E Day**—On tax reduction it's a question of how much, how soon. Certainly there will be no action before V-E Day. The first bite probably will be a small reduction in the corporate excess-profits tax on 1945 incomes, extension of the loss carry-back and carry-forward provisions, and some liberalization of depreciation and charge-off allowances to take care of reconversion and V-E Day obsolescence.

The Surplus Property Disposal Act calls for amendment if this operation is to be cleanly and expeditiously administered. Congress may give heed as the approach of the war's end brings a fuller recognition of the sheer magnitude of surplus goods.

● **Soon and Later On**—Bogged down in this Congress, overhauling of the obsolete Civilian Aeronautics Act and the Federal Communications Act will be a job for the next.

Preparatory work done on flood control, rivers and harbors, highway construction, and other employment-generating measures will be carried through without much further delay. Their size embraces a backlog of work not done during the war years, but the program is not scaled in anticipation of widespread unemployment.

Somewhere along the line a hostile Congress will trim "government by executive order," and attempt to bring to heel the "self-governing" independent agencies which have flourished during the Roosevelt Administration.



Portland's postwar puzzler: How to get rid of its 137,000 "guest" war workers when they stream from shipyards for the last time? Many arrived, Okie-style, in jalopy-trailers (above), and made no permanent contribution to the community. Only a few brought with them enough pride to plant even a humble Victory garden (below).



"big" money, have declined 25% now that peace seems nearer.

• **Bank Clearings Soar**—That local stores have been able to continue doing business at the old stand without adding a new wing has been little short of miraculous considering the flood of new business.

Between 1939 and 1943, bank clearings, for instance, increased from a monthly average of \$133,570,000 to \$333,085,000.

And last year, buses—many of them converted haulaway trucks for transporting autos—carried 155,000,000 passengers, 90,000,000 more than in 1941.

• **Postwar Planning**—As foresighted as they are cautious, Portland businessmen and civic leaders decided more than a year ago to do something about that ogre of unemployment before it arrived. And so they called in Robert Moses, civic planner and New York City's commissioner of parks, for advice.

Result: Portland has a postwar plan (BW—Nov.20'43,p27) which isn't just a rosy dream but a down-to-earth blueprint of public works projects to cost

\$75,000,000. The program was designed to provide a maximum number of useful jobs (20,000 at the peak) and to give labor the lion's share of the money. Portland voters did their part last spring by authorizing \$24,000,000 in bonds (BW—May27'44,p54) to pay the city's share (the state and federal governments are to pay the rest).

• **Not Big Enough**—For all its merit, the Moses plan, considered in relation to the magnitude of the problem Portland has to solve, has one fundamental fault. Although it's as big as the community can afford, it's not big enough.

Moses figured that about 70,000 of the 137,000 out-of-state workers who went to Portland will either return to their homes and peacetime jobs or retire, leaving 67,000 migrants in need of work—or relief. Returning servicemen who are jobless for one reason or another should augment that figure by 5,000, to a total of 72,000 jobs needed.

Now if 20,000 are put to work on the Moses projects and even half the remaining migrants (33,500) leave the area, there will still be 18,500 workers

gnawing away at Oregon's \$85,000,000 unemployment compensation fund.

• **Housing Nightmare**—Employment is only one phase of the problem. Housing is another. Portland could never have accommodated the swarms of shipyard volunteers who began streaming into the area in 1942. By doubling up and by crude conversions of vacant store rooms into living quarters, the community was able to breast the tide until the government came to the rescue with war housing projects—a total of more than 31,000 dwelling units.

This was emergency housing on a grand scale. One project, Vanport City, between Portland and Vancouver, was built at a cost of \$30,000,000 to accommodate 40,000 persons (BW—Jun.12'43,p18). Vanport became Oregon's second largest city, and when the onrushing horde of shipyard workers overflowed its boundaries, Vanport acquired a suburb—East Vanport—which sheltered another 5,000 (BW—Dec.11'43,p74).

• **Bywords to Epithets**—Soon the Vanports and University Homes, St. John's

ood, Guilds Lake, McLoughlin
rights, and the more than a dozen
er projects became bywords of con-
sation in Portland and Vancouver.
orse, they became epithets. For,
th a few rare exceptions, those com-
et emergency dwellings present a grim
d depressing picture, row upon end-
row of drab, weatherbeaten, neg-
ected shanties, separated only by nar-
rows strips of brownish mud.

Ultimately these places are to be
red after the war. But it's safe to as-
ume that they'll be allowed to stand
til their occupants return to their
omes, or at least find other living quar-
ers in the community. That, in the
eyes of the natives, constitutes an in-
vitation to the migrants to stick around,
thus compounding the employment
problem.

Second City's Future?—Vanport City,
because of its permanent streets and fa-
cilities, is receiving special considera-
on. Some have suggested it be used as
haven for the unemployed; others
think it could serve, with substantial
novation, as a rehabilitation center
for returning soldiers; still others, more
optimistic, urge that the dwellings be
modeled for rental.

The Portland Housing Authority,
which operates Vanport, has recom-
mended that the houses be dismantled
they become vacant after the war to
make room for a new industrial area;
and the authority backs this up with a
claim that it has inquiries from 50 firms
interested in establishing operations on
the site.

Prewar Infant—Of no less interest to
the community is the ultimate destiny
of the industrial machine responsible
for its disproportionate expansion. Ex-
cept for the obscure operations of two
small yards, shipbuilding was an old but
ill infant local industry before Henry
Kaiser and his son, Edgar, stepped into
the picture.

Starting from scratch, they have built
62 Liberty ships, 32 Victory ships, 50
escort carriers, 43 attack transports, 30
amphibious landing craft, and 98 tankers. And
three smaller yards—Albina Engine &
Machine Works, Commercial Iron
Works, and Willamette Iron & Steel
Corp.—among them have built 319 as-
sorted small warships in addition to
their conversion work for the Navy.

Straws in the Wind—Nobody in Port-
land is kidding himself that the ship-
yards which survive will maintain any
more than a fraction of that pace after
the war. But there are straws in the
wind that afford encouragement—the re-
cent award to Albina of a Maritime
Commission contract to build four
light-draft, 317-ft. freighters for wartime
use in the shallow harbors of the South
Pacific, for peacetime use in transport-

ing lumber from the Northwest to Cali-
fornia; Kaiser's known interest in acquir-
ing from the government the Swan
Island and Vancouver yards he operates
for the Maritime Commission; the pro-
jected construction of a drydock (BW-
Oct.7'44,p15) with its promise of a post-
war ship-repair industry.

• **Ace in the Hole?**—The Northwest
still regards its war-born aluminum in-
dustry as something of an ace in the
hole, even though doubts that peace-
time demand for the light metal will
approach anything like the country's
present capacity to produce have thrown
a shadow across that prospect (BW-
Oct.21'44,p17).

Hence Portland must bank on the old
standby—lumber, for which demand
will be enormous—and on plywood, flax,
agriculture, and shipping to carry the
major portion of the burden imposed
by an expansion beyond its wildest
dreams.

MEN WITH PLANS

In Chicago, Adolf A. Berle, Jr., finds
diplomatic tact a useful tool in his dual
role as chairman of the International
Civil Air Conference, and head of the
U. S. delegation. American and Brit-
ish delegates have divergent views;
U. S. is for free competition, Britain
for international control plus a traffic
formula to compel American airlines
—which would originate the lion's
share of North Atlantic air traffic—
to split it on a 50-50 basis. Canada,
meanwhile, tries to bridge the widen-
ing gap with a compromise plan. And
conspicuous by its absence is Russia's
delegation (below), which, en route to
Chicago, made a sudden about-face at
Minneapolis, went home. Best expla-
nation: Ever hard-headed realists, the
Russians decided to sit out the confer-

Battle Over FM

FCC urged to allot wider
band for postwar reception as
the manufacturers eye lush
markets. Patent rivalry stiffens.

Frequency modulation broadcasting
took another step forward last week
when the Radio Technical Planning
Board recommended to the Federal
Communications Commission that FM
be awarded a large slice of the ether
spectrum for postwar use.

• **Nearly Double**—The proposed FM
band, 43 to 58 mc., is nearly twice as
large as the present band (BW—Sep.2
'44,p17), and would accommodate sev-
eral thousand local FM outlets. Paul
W. Kesten, vice-president of the Colum-
bia Broadcasting System, told the FCC



ence in Moscow rather than wait on
the sidelines during a lengthy argu-
ment on issues basically capitalistic.





HEADED FOR "CHINA"

The drill rig that's boring the world's deepest hole near San Francisco attracts the interest of oilmen from all over the country. Now at a depth of about 15,500 ft., this operation marks attempts by Standard Oil of California to find new petroleum sources at untapped levels. The former record-holder in "reverse altitude" was the 15,279-ft. well, in Pecos County, Tex., which proved dry earlier this year.

that ten major networks, totaling 4,000 to 5,000 FM stations, could be supported if each station were restricted to a single market area.

On the receiver side, private opinion in the Radio Manufacturer's Assn. is that every postwar receiver retailing for \$65 or more will provide FM reception. Since the indicated market for receivers in this price bracket is nearly 10,000,000 in the first year of postwar production, this means a bonanza for the person or organization controlling the FM patents.

• **New Circuit**—All of this accounts for the interest shown when George L. Beers, Radio Corp. of America engineer, announced last week to the Institute of Radio Engineers that he had invented an FM receiver circuit. Although Beers made no direct reference to patents in his paper, the fact is that his invention might conceivably get around a basic patent of Maj. E. H. Armstrong. Armstrong invented wide-band frequency modulation, first described it

publicly in 1935, and has been fighting to put it over ever since. Most of the large radio manufacturers (Zenith, General Electric, and Stromberg-Carlson, for example) have taken licenses under the Armstrong patents.

Two others, Philco and RCA, have not. Philco marketed just before the war an FM receiver which omitted use of the Armstrong limiter, a device now recognized as essential to high-quality FM reception. Armstrong took full-page space in metropolitan newspapers to brand these receivers as "counterfeit." The industry understands that Philco does not intend to pursue this tactic further.

• **Important to RCA**—Since the Armstrong limiter has now been proved an essential part of the postwar FM set, attention has been focused on other means of doing the same thing. The Beers circuit, the industry believes, may be the answer. Its importance to RCA is manifest, since RCA licenses the industry on a large group of receiver patents but up to now has had no strong FM patent. Why RCA has not taken a license under the Armstrong patents is not definitely known, but it is presumably because Armstrong will not grant an exclusive license. (Armstrong did, however, sell for \$1 the right to use all his FM patents for war equipment, production of which is now in the hundreds of millions of dollars.)

• **How the Systems Work**—Basis of the Beers-Armstrong controversy is highly technical. Briefly, FM gives noise-free reception in large part because the receiver is made nonresponsive to the amplitude variations caused by static and other noise. The Armstrong limiter circuit removes these variations, much as a wringer wrings water out of clothing, by brute force.

The Beers circuit makes use of an oscillator, a device whose output is already free from amplitude variations, and controls the oscillator directly by the FM signal. Curiously enough, Armstrong already holds a patent, issued in 1935, on this general scheme, but the Beers version contains a variation which it is claimed permits the signal to be amplified more economically and at the same time improves the selectivity of the receiver.

• **Battle Lines Forming**—Should the new circuit prove itself, RCA may well have a patent which it can offer to its licensees in competition with Armstrong. So the lines are being drawn for a battle.

The present controversy has nothing to do with the fundamental invention of FM. Armstrong did not invent frequency modulation, but he did invent the wide-band method of frequency modulation which brings with it all the

benefits of noise reduction and consequent high-fidelity reception.

• **Opportunity in Receivers**—There is no challenge to this position—transmitter stations sending out wide-band signals must use the Armstrong principle. But receivers might make use of such signals without employing an Armstrong circuit. And receivers are, of course, the big market.

Bus Merger Due

Chicago syndicate seeks ICC's approval for purchase of All American bus system, plans coast-to-coast service.

Plans for a new, uniform, coast-to-coast bus system to give Greyhound Lines a postwar run for its money were for months kept under wraps to the best of its promoters' abilities.

Last week two Chicago investment banking houses—Glore, Forgan & Co. and Keibon, McCormick & Co.—brought their bus baby out in plain sight, confirming advance information about the plan (BW—Aug. 19'44, p. 17).

• **Wheels Within Wheels**—The La Salle Street houses have formed a syndicate to purchase All American Bus Lines, Inc., owner and operator of 75 buses between New York City, Chicago, St. Louis, and the Pacific Coast, as well as owner of Northern Trails, which operates from Chicago to New York and Emmitsburg, Md., by way of Toledo, Cleveland, and Pittsburgh.

Northern Trails, in turn, holds an option to purchase—subject to Interstate Commerce Commission approval—Eastern Trailways, which operates from New York through Philadelphia and Baltimore to Washington, and meets Northern Trails at Emmitsburg.

• **Cheaper Transportation**—The All American-Northern-Eastern combination reaches from principal Atlantic Coast cities into California, but these lines have suffered trafficwise in competition with Greyhound's service and equipment. All American grew to its present size by carrying passengers cheaper, not more splendidly.

Premier reports had the air-conditioned modern buses owned by three western railroads headed for eventual inclusion with the All American group. Substantiation of this program may be read into the Burlington Railroad's recent disclosure that it may sell 51% of its 100%-owned Burlington Transportation Co. for \$1,500,000.

• **A Logical Move**—The Santa Fe and Missouri Pacific have not yet tipped their hands. But industry observers still

ect that their bus lines will end up the new transcontinental system since EC policies make it unlikely that these lines could be extended east of Chicago and St. Louis beyond their parent rails. Until wartime travel filled them, the Greyhound's buses suffered from lack of comparably good reciprocal connections with the lines of St. Louis and Chicago. As members of the National Trailways (48 independent operators) traffic interchange group, they had far less satisfactory connections in northeastern territory.

Greyhound's Bulge—Hence they practically had to turn over their eastbound through passengers to Greyhound at their eastern terminals.

Greyhound was able to carry its west-bound customers all the way through to destination in its own equipment, with never a bow toward Burlington-Montana Fe ticket windows. How strong flavor of National Trailways may be named eventually for the new outfit still a well-kept secret.

Glore, Forgan says that widely experienced bus operators will be put in charge of the merged lines if the deal goes through. A persistent report in the industry has Glenn Traer, former top-level Greyhound executive, slated for the corner office in All American.

First major postwar step for All American would be purchase of high-speed luxury equipment to meet the challenge of Greyhound's new bus designs now being developed by General Motors and Consolidated Vultee (BW-11.8'44,p16). Next would probably come the task of providing better terminals.

MACHINISTS STRIKE ENDS

Late in the summer, A.F.L. Machinists Lodge 68 forced seizure by the Navy of 104 machine shops in San Francisco when the machinists refused to work overtime as ordered by the National War Labor Board (BW-Sep. 10'44,p103). Finally, the union allowed the men to work overtime if they wanted to, but never officially rescinded the ban.

This week Lodge 68, working hand-in-glove with C.I.O. Machinists Local 604, temporarily ended a more serious labor controversy—stoppage of work on 12 ships, mostly repair work, in the bay area (BW-Nov.4'44,p108). In face of show-cause order from the NWLB, the two unions ordered their men back to work after a three-day strike.

This controversy is jurisdictional. The two unions struck against the A.F.L. steamfitters over whether machinists or steamfitters should do certain work on the ships, which includes pipe hanger installation and valve work.

Hogs Nose-Dive

Heavy run of spring pigs to eastern markets blamed by the packers for \$75,000,000 drop in value of hogs on farms.

Hog prices took a nose dive last week, and farmers took a licking.

The price drop was the sharpest since September, 1939. Top hogs at Chicago, for instance, had been bringing the OPA ceiling. They dropped to \$14.25, then to \$14, and by this week had recovered only part of their loss. Two hours' trading on Oct. 31 wiped more than \$50,000,000 from the value of farm herds destined for early marketing.

● **Another \$25,000,000 Lost**—At Chicago, 2,000 head remained in first hands on the night of Oct. 31 because owners refused to sell at prices that packers would pay. Next day prices dropped again, cutting another \$25,000,000 off the value of marketable hogs on farms.

Simultaneously, professional friends of the farmer rushed into print with denunciations. Typical was the statement of Earl C. Smith, president of the

Illinois Agricultural Assn. and power behind the American Farm Bureau Federation. Smith laid the blame for the break on meat packers' greed and Washington's failure to adopt the recommendation made last summer by producers that when packers pay below the ceiling for good butcher hogs, their subsidy payments be cut.

● **Pocketbook Nerve Hurt**—As word of pre-election price catastrophe burned the wires, OPA hastened to make a friendly gesture toward hog farmers by raising the weight bracket for its butcher-hog ceiling from 200-240 lb. to 200-270 lb. But this was futile because the price moved promptly away from the ceiling. Even if hog prices recover soon, this OPA move can bring only limited benefits to farmers because every day more and more hogs pass beyond 270 lb. in their normal seasonal increase in weight.

When prices dropped, farm shipments promptly fell to the lowest figure since mid-October. By early this week the market regained 40% of its earlier decline.

Packers' explanations of why hogs went cheap are more prosy than the farmers'. Exceptionally heavy runs of spring pigs, they say, simultaneously hit almost all markets east of Chicago;



INDUSTRIAL REFUGEES

Behind their Ural mountain barricade, Soviet mechanics assemble anti-aircraft guns in one of the many plants which were evacuated—lock, stock, and machine tool—as the Nazi hordes overran the Soviet Union in the war's early days. One of the U.S.S.R.'s most guarded regions, the

Ural industrial zone is literally a hodge-podge of plant structures, all of them busy. Machines—many U. S.-made—were sometimes set in concrete slabs in the bare earth, and protected from the weather by jerry-built shelters. In other cases they went into empty plants built before the war—just in case. The overflow augments facilities of long-established shops.

for example, Indianapolis, where hogs ordinarily sell above Chicago, received so many head that the top price on Oct. 31 was 75¢ under Chicago.

• **Hogs Went West, Not East**—Adequate supplies for eastern slaughterers were thus available where usually shipments from the west are necessary. Eastern shippers accordingly made few bids at Chicago and other midwestern stockyards. Also, farmers east of Illinois shipped their animals westward instead of eastward as usual, and this backed up an excessive hog supply in the West.

Reports were plentiful early this week about what Washington may do to bolster hog prices. Most frequently encountered was that War Food Administration might support good average packers' droves at \$13.50 or \$13.75, as compared with a present support price of \$12.50 a cwt.—enforced merely by threat of withdrawing the subsidy of \$1.30 a cwt. now received by packers.

• **Demand and Supply**—Few observers expect prices to remain low, whether or not WFA comes to the rescue. Government demand is brisk, hogs on farms tally far below last year, and big city markets in the East long have had little pork.

• **Lean Winter Ahead**—Total slaughter week before last at leading packing centers—although way above anything seen in months—was down more than 20% from the record levels of a year ago.

Household demand for pork naturally increases as cold weather comes. It looks as if many a civilian consumer who ordinarily feasts on ham hocks and sauerkraut may have to content himself with gnawing on a last year's ham bone.

Butter No Better

Despite increase in milk production, butter supplies are expected to decline. Producers place blame on OPA.

Butter supplies for civilian consumption are getting progressively shorter as the war goes on, and both the War Food Administration and the Office of Price Administration, notoriously at odds over most food problems, are in complete agreement that no action will be taken to change this picture.

• **Supplies Down a Third**—Today, butter supplies for civilians are only two-thirds of the average in the prewar years 1935-1939. A good bit of this is due, however, to WFA orders setting aside 214% of total production for war purposes.

The ration value of butter was jumped from 16 to 20 red points in October. A fourth hike to 24 points in January or February must be reckoned as a possibility, but this won't happen if, as now seems likely, point values are restored on those meats which were taken off rationing in September (BW—Sep. 9'44, p7).

• **There's Plenty of Milk**—Many find it hard to understand the shortage of this popular food item in view of the Oct. 30 announcement by the Dept. of Agriculture that our farmers will produce about 119,000,000,000 lb. of milk in 1945, as against a ten-year prewar average of 83,560,000,000 lb.

Butter manufacturers say OPA is re-

sponsible. They claim that price controls on butter are so low that they are unable to bid enough for fluid milk. OPA officials concede that the 54% increase demanded by the producers would put them in a better competitive position, but the chance that the price rise will go through is extremely remote.

• **Butter Not Essential**—The truth is that butter—as well as powdered whole milk, condensed skim milk, and cheese other than natural Cheddar—have been deliberately priced adversely by OPA in favor of the manufacture of other dairy products such as powdered whole milk, evaporated milk, natural Cheddar cheese, and dry ice cream mix, which are declared to be absolutely essential to the armed forces as well as to lean households.

As a readily understandable example of such essentiality, an OPA official quoted Army sources as saying that next to beer and soft drinks, ice cream is the best seller in post exchange stores and as a morale booster it rates high in all war theaters. Most dry ice cream mixes contain as much as 45% butterfat.

• **Milk Use Limited**—WFA has backed up OPA's pricing policies with the limitation orders designed to allocate milk supplies to the most essential wartime needs. These orders are:

(1) WFO 8, issued early in January 1943, limits ice cream sales to civilians by any manufacturer to 65% of the butterfat he used in the corresponding month of 1942, and to 100% of milk solids other than fat for the same period.

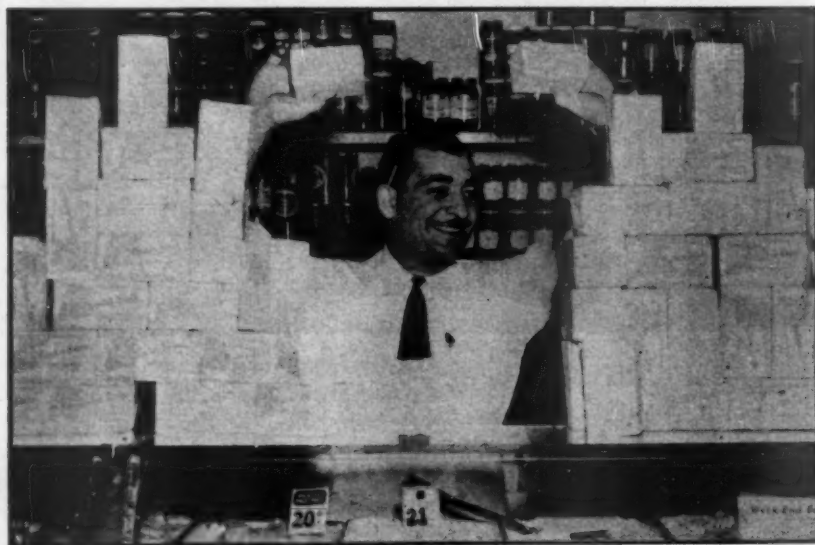
(2) WFO 79 limits milk sales to civilians to 50,000 to 100% of the milk sales made in June, 1943. Byproduct sales, including coffee cream, are limited to 75% of the June, 1943, volume. This order was issued in the latter part of 1943.

(3) WFO 92 limits the amount of cheese (other than natural Cheddar) that a manufacturer can produce in any calendar quarter to the amount he produced in the same quarter of 1942. Butter makers would like to see still greater restrictions on all cheese making—especially cream cheese.

All sales to the armed forces are quota free under orders 8 and 79.

• **Some Cream Uncontrolled**—Butter producers complain that cream used by bakers, candy makers, soap manufacturers, and others is free of both price control and WFA limitation orders. They argue that price control and limitation orders on the use of cream for these purposes would give them a chance to get more cream for butter.

Arnold J. Burke, who heads OPA's Dairy Products Section, admits this, but takes the position that the additional



Despite the increasingly tight situation in butter, New York's Hearn Department Store found no clamoring mobs to buy up a 5,000-lb. shipment last week. Reason: a high ration price that will probably go higher before it goes lower.

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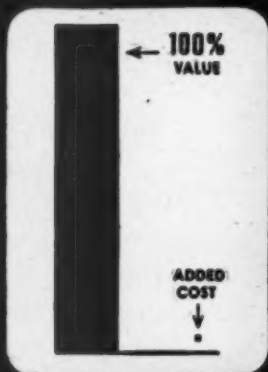
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amount of butter which could be produced from this cream would be insignificant in comparison to the injury that its diversion would do to the manufacture of these other products.

• **Milk on Bread?**—Meanwhile, consumers are told that they are getting their butterfat as well as additional food values in the form of fluid whole milk and coffee cream. But, as one housewife tartly put it, "You can't spread milk on your bread."

Co-ops Cheer

U. S. Tax Court upholds deduction of savings dividends from gross income, but Indiana co-op is set back in Texas.

Co-ops have recently suffered one setback, one triumph.

The reverse came when Texas' Attorney General ruled last month that farm cooperatives cannot engage in the oil business in the state.

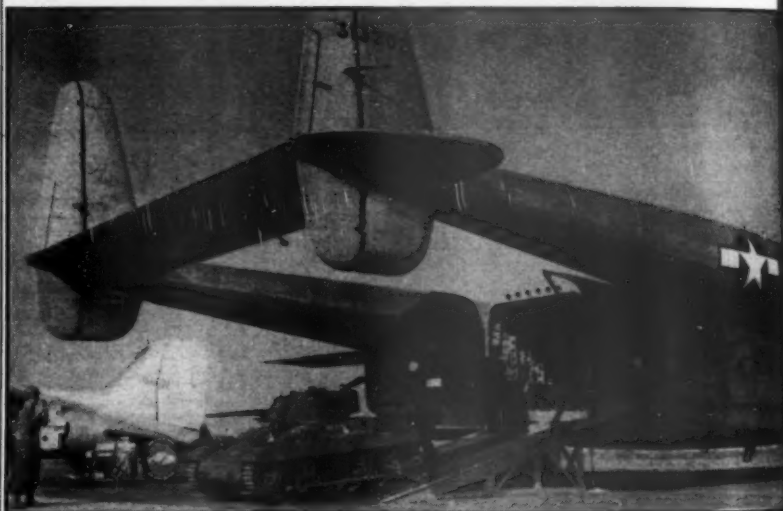
The ruling was issued after the Indiana Farm Bureau Cooperative Assn., Inc., applied for a Texas charter. The formal application limited the proposed activities of the co-op to farm harvesting, marketing, etc., but a letter of transmittal indicated that it also con-

templated extending its oil exploration. • **Dividends Exempt**—But more significant was the victory the co-ops chalked up. In Washington last week the Court of the United States upheld the right of cooperative corporations of profit business corporations as to deduct from gross income before payment of taxes sums returned to patrons when the bylaws of the co-op require money saved—better known as savings dividends—to be returned to customers.

In its basic principle such a ruling is not new—the tax-exempt nature of savings dividends has been well established—but the decision in this case is important because the principle of such exemption has been under heavy fire.

• **Co-ops Applaud**—The tax-exempt ruling was returned in favor of United Cooperatives, Inc., Alliance, O. against the Commissioner of Internal Revenue, who had sought to collect federal income taxes on the co-op's gross income for 1937, 1938, and 1939.

The Commissioner of Internal Revenue may appeal the decision to the Supreme Court, accept the decision as a controlling precedent by announcing his acquiescence, or accept it as applying merely to this particular case. If the co-ops cheered the decision as a body blow to such groups as the National Tax Equality Assn., which want co-op dividends taxed (BW—Sep. 25, p98).



FLYING PACKET

Loading an M-22 air-borne tank at Washington's National Airport is the Army's newest flying workhorse, the C-82 Packet cargo plane which is designed for war—with an eye toward peacetime adaptability. Developed and put in production by Fairchild Aircraft, Hagerstown, Md., the big

twin-tailed carrier is virtually a flying boxcar. Among its features are a level cargo hold and a ramp up which tanks and other military vehicles can be driven (BW—May 20 '44, p18). In air line operations, the C-82 could carry 50 passengers by day, sleep 30 at night. And special removable seats would make possible its conversion into an all-cargo plane within an hour.

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Boats of Peace

Motorboat industry expects no radical changes in design of craft for civilian market, but big increase in volume is forecast.

This is the time of year when manufacturers prepared, in peacetime, for the all-important January motorboat show in New York City, at which new models made their debut.

• **\$20,000,000 Market**—But war has absorbed all production, and although the National Assn. of Engine & Boat Manufacturers stands ready to stage the show on a three- or four-month notice, there is obviously no chance for January and only a dim hope for any time in 1945.

Nevertheless, the motorboat industry is beginning to rechart its course in preparation for a peacetime small boat market which the U. S. Dept. of Commerce estimates will reach \$20,000,000 in 1946, more than three times as great as in 1940.

• **Many New Customers**—Factors cited to bolster predictions of such a juicy market include:

(1) The pent-up civilian buying power and suppressed desire for boat ownership.

(2) The condition of tied-up and laid-up boats which have deteriorated during the past three years for lack of labor and repair materials.

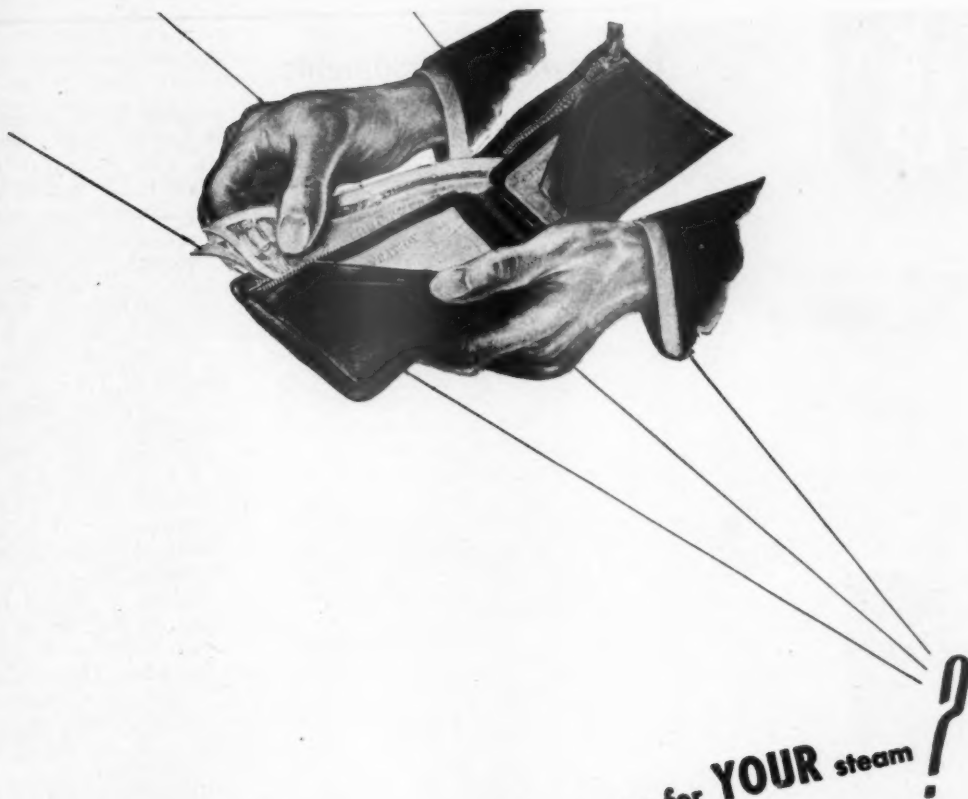
(3) Great expectations for exports to boatmen abroad who have been impressed by the wartime performance of American craft.

(4) The new demand for pleasure boats created by artificial lakes and improved river navigation incidental to the government's flood control and power programs.

(5) The boat-ownership bug that has infected thousands of men serving in the Navy who were not boat-conscious in civilian life. Even soldiers have become familiar with the operation of watercraft in this greatest amphibian war.

• **Some Skeptics**—But there are some skeptics. These doubters, while conceding the factors which point to a record postwar demand for boats, insist that taxes will continue to be high and thus money which otherwise might be spent for watercraft, particularly ocean-going yachts, will be diverted; that consumer income will decline, causing postwar buyers to concentrate on necessities; and that over-built capacity will smother demand and decrease prices.

• **Effect of War Surplus**—Another factor receiving considerable attention is the question of the huge stock of small



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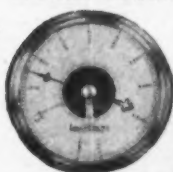


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Postwar Commitments

The nation's distributors figure heavily in the reports on commitments for postwar expansion that are now beginning to come into the business news as postwar planning gets down to cases. They show up in these typical examples from Business Week correspondents:

Cleveland, Ohio—Sears, Roebuck plans to spend \$1,500,000 for expansion in Cleveland. The program includes additions to its Lorain Ave. store which will more than double the floor space, a 50% enlargement of its Lakeside Ave. warehouse, air conditioning of its East Side and West Side branches, and extensive store redecorating. This expansion is expected to provide postwar jobs for workers added during the war plus the total of about 500 employees now in the services.

Denver, Colo.—Rocky Mountain Gas Equipment Co. has been organized by a group of Denver businessmen, working in cooperation with the Public Service Co. of Colorado, to manufacture gas furnaces and other heating appliances engineered for high-altitude operation. Plans embrace postwar jobs for 40 to 50 employees at the outset.

Maplecrest Turkey Farms of Wellman, Iowa, has set up a subsidiary company to operate a Denver plant to process and pack turkeys for national distribution. Construction of

a building on an 18-acre tract on 46th Ave. is already in progress. The plant, with a capacity to incubate 125,000 turkey pullets a year, will employ about 60 men and women at the peak (winter) season.

Pittsburgh, Pa.—United States Plywood Corp. has announced that it will establish at Pittsburgh its first wholly owned unit to be opened since the start of the war.

Jamaica, N. Y.—R. H. Macy & Co. plans the postwar construction of a two-story branch store in this suburb of New York City. The building, 89th Ave., from 164th to 165th Sts., will occupy a plot of 275 ft. x 200 ft. Officials say that 350 to 400 persons will be employed at the store.

Richmond, Va.—Miller & Rhoads has decided to erect a twelve-story building on the site of its present four-story department store at Sixth and Broad Sts. The building, providing for many new departments, will have an auditorium, seating approximately 1,500, for use by civic clubs and other groups.

San Francisco, Calif.—I. Magnin & Co., operating a Pacific Coast chain of nine specialty apparel stores, has signed a long-term lease on the Butler Bldg. at the corner of Geary and Stockton Sts. in contemplation of the postwar erection of a completely air-conditioned white marble and black granite store building.

military craft which will become surplus after the war.

It is pointed out that most military boats are powerfully engined, were built without regard to cost, and probably would be too expensive for the average man to operate. Moreover, the industry believes that the cost to the government of returning small boats from battlefronts would be more than they would sell for.

Unused engines, however, might be worth bringing home.

• **Assault Boats on Sale**—Of immediate interest to owners is the return of boats taken over by the military services after Pearl Harbor. Many did heroic work in coastal U-boat and harbor patrol. Those that were not bought outright must be returned in the exact condition in which they were commandeered. The boats bought outright—mostly yachts, motor boats, and small schooners—will be sold by the War Shipping Administration from time to time, but are not expected to disturb the industry's postwar outlook.

The industry watched with interest this week to see how enthusiastically the public would react to an offer of the U. S. Maritime Commission to sell 2,215 small paddle-propelled plywood assault boats which have already been declared surplus by the War Dept.

• **Future of Amphibians**—Lively discussion centers on the final disposition of the PT boats and the amphibians—the landing boats, the Alligators, the Ducks, and so on.

Consensus is that amphibious craft will be in demand for commercial uses only, two possibilities being for exploration for oil in marsh country, and combination freight trucks and lighters for loading and unloading ships where regular dock facilities are lacking.

• **No Radical Innovations**—Meanwhile manufacturers are laying their plans for peacetime competition. The hopeful majority of boatbuilders are carefully evaluating proposed changes in design, but are revealing their plans only in cautious generalities.

With all the talk about new metals,

plastics, and revolutionary engineering, there has been an outbreak of spectacular drawings, but fantastic innovations are ruled out by the industry. The hazards of deep-water cruising make conservatives out of boat operators; hull design has changed slowly since Noah's day.

• **Restyled Superstructures**—While refinements and restyling of superstructures for eye appeal can be looked for, boat manufacturers indicate that no radical changes should be expected in hulls or powerplants after the war.

Engine builders will be able to deliver more horsepower per pound of engine, and experiments in small diesels will continue, though the higher original cost of this type still assures an edge to the orthodox gasoline-fueled models.

War-developed gasolines will give improvement in miles-per-gallon, and there will be improved accessories such as radio communication and navigation aids which are still on the military list of secrets.

• **Higher Cost Foreseen**—The industry, generally, expects that postwar models will cost perhaps 25% more than similar prewar models. Some manufacturers, on the basis of present wages, even suggest that costs will be up as much as 35% above prewar costs.

Richardson Boat Co. of North Tonawanda, N. Y., however, is advertising "revolutionary" streamlined cabin jobs for future delivery which, because of cost savings through mass production, "will cost about the same amount of money you might invest in a car."

• **More Advertising**—Most boatbuilders have plans for increased national advertising as soon as they can return to civilian production. Several will increase their dealer outlets. Gar Wood Industries of Marysville, Mich., for example, instead of selling through distributors will sell direct through retail dealers. A retail finance plan will be employed on a national basis.

Incidentally, Gar Wood is so impressed by the Navy-designed personnel boat which it has been building that versions of it will be produced for the civilian market when peace comes.

BUS RADIO NET PLANNED

Bus line operators are planning to use two-way radio communication between major terminals and buses on scheduled runs.

Bowen Trailways, Fort Worth, Tex., claims to be the first of the nation's major transportation lines to plan such a system, and has filed application for a federal permit to set up shortwave stations in its terminals in Fort Worth, Dallas, and Houston. Later installation



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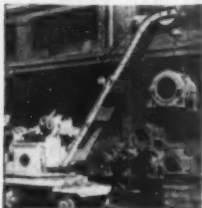
A large aircraft manufacturer uses a Baker Hy-Lift Truck with die pulling winch for changing heavy dies on drop forge hammers and storing dies in the factory yard. Time consumed is kept at a minimum, reducing idle machine time.

This Baker Crane Truck is handling a machine bed 8½ feet long in the yard of a machine tool manufacturer. The truck also handles many longer and heavier beds—even beyond the capacity rating of the crane, by pulling them on a dolly placed under one end.



In the supply yard of a large utility, a great variety of materials are handled daily by a Baker Crane Truck. No job is too small, none too large. Maneuverability and accurate control make it ideal for use where congestion complicates handling and space must be utilized efficiently.

With every inch of inside floor space needed for production, a manufacturer of punch presses found that a Baker Crane Truck made possible yard storage of heavy press frames, castings, dies and other material. Truck is also used for many operations inside plant.



Awkward-to-handle material is made quickly available from yard storage with a Baker Crane Truck. This truck is handling large motor frames in the yard of an electrical motor manufacturer.

In railway yards, crane trucks are indispensable for handling the wide variety of heavy, bulky parts—moving them from storage areas and spotting them for assembly. Baker Crane Trucks are also used extensively in roundhouses.



If you have a material handling problem and are looking for the best answer the Baker Material Handling Engineer nearest you will gladly help you. Or write us direct.

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applications will be made for terminals at San Antonio, Corpus Christi, Wichita Falls, Amarillo, and San Angelo.

Bowen envisions company advantages in radio reports from its 400 buses on road and weather conditions over its 3,600-mi. network of routes; speedier dispatching of help to disabled buses; and reports to terminals of the exact location of buses and the nearly exact time of arrival. For passengers, Bowen sees possible advantages in the sending of emergency messages to terminals ahead, and radio instructions to hold a bus at a connection point for passengers on a bus running behind time.

LIGHT STEEL BOOSTED

The steel industry is determined to press any advantages it may have gained as a result of the current shortage of lumber, by breaking down all barriers to the wholesale adoption of light steel building materials.

Over the last six years, steel industry committees have been laboring over the complexities of various city building codes in an effort to arrive at sensible regulations covering light steel construction.

The industry's plans to boost light-gage steel were outlined at last week's meeting of the American Institute of Steel Construction.

Building specifications, drafted by the A.I.S.C., for instance, now apply only to material of one-quarter inch or more in thickness. The steel men want those specifications expanded to cover the use of the light-gage product—material only about one-sixteenth of an inch thick.

Advantages claimed for steel include "incombustibility," and the economy of shop fabrication, and "speedy and economical erection as a result of its uniformity."

Lid on Dust Bowl

Shelter belts of trees are screening the Prairie States from destructive winds, restoring fertility to farmlands.

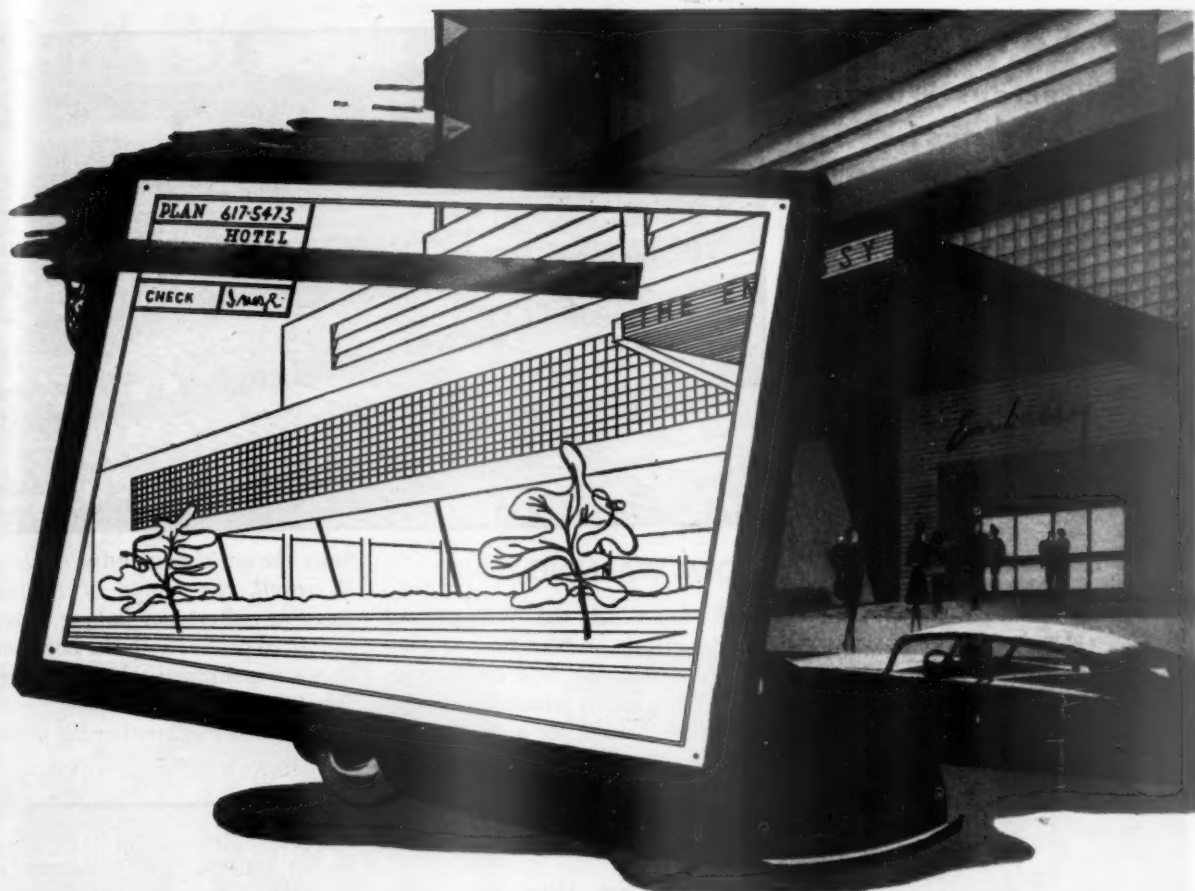
Ten years after the great 1934 drought brought disaster to the Dust Bowl and caused such mass migrations that Congress appropriated \$528,000,000 for drought relief, the 1,150-mi. strip of forest 100 mi. wide which was planted in the headlines has not materialized. But plantings of trees that stretch for 17,698 mi. on 28,961 farms in six states have brought such benefits that farmers are asking for more.

• **Growing Problem**—To date, \$14,000,000 has been spent on the Prairie States forestry project (BW—Apr. 6'40, p20), and the 220,000,000 trees—at the rate of about 17 for each person in North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, and Texas—are growing into a farm forest problem that now needs expert management. The small strips have been found to be much more satisfactory than a big single windbreak. (The states also are planting trees; Oklahoma, for example, has a goal of 4,600,000 plantings in 1944.)

Just back from a tour of the shelter belts, Edward N. Munns, assistant chief of forest research, reports that farmers are asking what to do about 50-ft. cottonwoods that have grown too dense, about gaps caused by dead trees, about what species to replant; they want to know about insect and rodent control, cutting, soil condition, and a dozen other problems. It is probable that the Dept. of Agriculture will be asked to set up a Great Plains forest experiment sta-



A triangular windbreak on a Nebraska farm is typical of the government-planted tree screens that are halting erosion and improving the soil in six states.



Tomorrow's Preferred Hotels *are on Architects' Drawing Boards Today*

Every city has one or more hotels that attract the preferred, profitable trade.

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recognize its value in attracting the profitable trade, and holding it.

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STORM WARNING

Small index of the intensity of bomber attacks on Nazi lines of communications is the field of gas cans being filled at an advance base—no more than enough for a single flight of U. S. Ninth Air Force bombers.

Since the initial puncturing of Hitler's Westwall, the tempo of bombardment of rail arteries linking German industrial centers with the Low Countries has quickened—the technique of smashing supply lines and creating confusion before another big push on the road to Berlin.

tion with a grant of \$100,000 to undertake research.

• **Forest Service Helps**—Since July, 1942, the Soil Conservation Service of the department has had charge of the shelter belts; but it gets its technical advice from the Forest Service, and admits that its 300 field men work in districts that cover only 40% of the area where the trees are growing. The Great Plains area, in its entirety, accounts for 30% of continental U. S.

Survival of the trees which have been planted has ranged from 51% in the dry year of 1936 to 82% in 1941, and abandonments of plantings have been surprisingly few. Texas abandoned 30 mi. of 2,042 mi. planted; Oklahoma 182 of 2,995; Kansas 134 of 3,540; Nebraska 125 of 4,168; South Dakota 69 of 3,206; North Dakota 89 of 2,644.

• **Seven Species Favored**—Experience has shown that some varieties of trees and shrubs fare better than others. Only 25% of the pines have survived, for example, while 90% of the cedars still stand. Farmers want winter windbreaks and snowbreaks such as cedars give, having discovered that the bare limbs of deciduous trees are only partly effective.

The seven kinds of trees planted and found most useful, which now outnumber other varieties, are: green ash 1,948,448 trees, cottonwood 1,914,261, Russian olive 1,665,606, American plum

1,627,381, red cedar 1,610,875, Chinese elm 1,431,003, and American elm 1,319,685.

• **Protecting the Ground**—The shelter belts have modified wind and kept crops from blowing out of the ground or from being smothered by dust; they have curbed soil erosion, conserved ground moisture on protected fields by checking evaporation, improved soil fertility, and possibly increased rainfall. They have brought millions of birds to attack insect pests.

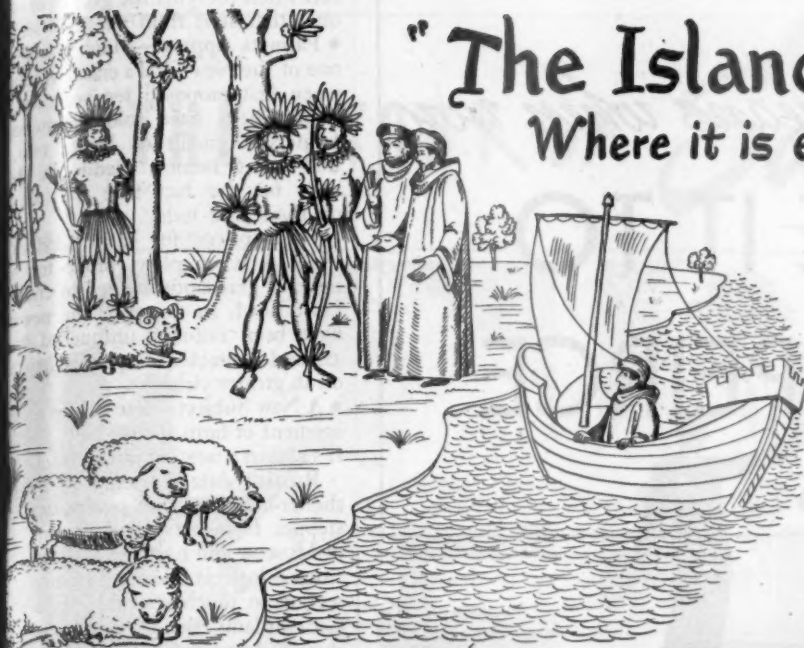
Belts with seven rows of trees, varying in height from shrubs to tall cottonwoods, are favored over the wider belts planted at first. The rows run from east to west to break the damaging south winds. The graduation in size of the trees from low to high imparts an upward sweep to the air currents and disperses them at altitudes as much as 50 times the height of the "roof."

• **Half a Century**—Shelter belts give protection in two or three years and may last 30 to 50 years. But they won't reproduce themselves nor keep the graded effect without replanting and care. Dry seasons have killed some, and now, in isolated spots, too much moisture is killing others.

Heavy rains have raised ground moisture in parts of some states, bringing alkali up with it. A heavy concentration of alkali is death to most trees. The competition of trees for ground mois-

"The Island of Sheep"

Where it is ever Summer"



1 Back around the year 550 A. D., according to legend, the Irish monk St. Brendan sailed westward into the unknown Atlantic in search of an earthly paradise. After forty days he came to an island. "This is the Island of Sheep," the natives told him, "and here it is ever Summer."



2 Today science is discovering its own land of perpetual summer—the new world of air conditioning. Here's probably the most famous of all air conditioning installations—the huge Radio City control panel where Taylor instruments have kept temperatures in NBC studios and offices to within *half a degree* continuously for eleven years.



3 And all just for your comfort? Well, not entirely. The air conditioning controls at NBC also protect the vocal chords of singers and the tone of violins. A similar Taylor control system for a New York food plant regulates the ripening of bananas according to local demand. Does the same thing for tomatoes—and "tenderizes" steaks too!



4 We even help air condition pigs! Not live ones, it's true. But more and more meat packers are building air conditioned smokehouses equipped with Taylor instruments. Why? Because accurate automatic control of temperature and humidity gives them better, more uniform hams and sausages with minimum loss due to shrinkage.



5 The most important temperature to control is your own and the way to do this is with the aid of a Taylor BINOC Fever Thermometer. Its flat shape and special magnifying lens make it 3 times easier to read—by actual stopwatch test! Ask your druggist for Taylor Binoc. Taylor Instrument Companies, Rochester, and Toronto.

What it means when you

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That, in brief, is what it means when you *Take It To Taft-Peirce*. And now if you would like to visualize exactly the type of men, machines, and facilities at your service here, you are invited to write to The Taft-Peirce Mfg. Co., Woonsocket, R. I., for this book which is really a 20-minute trip, via pictures and captions, through the Taft-Peirce plant.



ture often prevents the growth of ones that start from self-sown seed. **• Farmers Approve**—Much ridiculed one of the New Deal's crackpot schemes when first proposed ten years ago, shelter belts have sold themselves to farmers. Agriculture Dept. men credit that many farmers credit the shelter belts for the fact that they are on their land today.

High prices for farm products 1917-18, when plows broke too many miles of grasslands, helped to create the Dust Bowl. In this war, the new belts have been virtually untouched by drought, and protected croplands have produced off in greater yields.

• A New Subject—Research in the management of farm shelter belts is needed. It's almost a new subject in the U. S.

Russian data collected in the great shelter-belt area that sweeps across the steppes from west to east just south of Moscow and north of Stalingrad has aroused interest. Soil and climate of that section so much resemble those of the Great Plains that Russia's experience should prove to be a useful starting point for research.

CADILLAC GROOMS ENTRY

Another car producer, Cadillac, confirms the report that when the new cars come back they will be really new cars, not just the old 1942 models (BW—Oct. 21 '44, p. 18). In a series of current dealer meetings, the Cadillac Division of General Motors is promising the engineering, metallurgical, and manufacturing advances, comparable to those of three years of normal development work will be embodied in the first model.

And D. E. Ahrens, company sales manager, foresees a market for the new cars triple that of the best year on record (1941) when 60,000 Cadillacs were sold. Dealers who accounted for 97% of those sales are still operating.

Despite the fact that reconversion represents less of a problem to Cadillac than to almost any other manufacturer, it doesn't expect to be able to satisfy demand for a good time after the green signal is given.

Reconversion will be comparatively simple for Cadillac because its engine production lines are turning out power plants for M-5 tanks and other armored vehicles which are practically the same as the 150-hp. engines which powered its prewar cars (BW—Dec. 19 '42, p. 14). Further, the passenger car hydramatic transmission through which engine power was transmitted has also been continued in production in the Cadillac war program. Thus a complete power train, slightly modified, for postwar cars is being produced today, and it can be changed over in short order.

THE STORY of Sam*

Reading Time: 1 minute, 20 seconds



1 Sam learned salesmanship from the ground up ... selling shoes. It taught him a lot about human nature, too. That was what put him "on his toes" and caught the eye of a customer who was a local automobile dealer.



2 Sam's deft way of closing sales won him a job selling automobiles. Five busy, fruitful years and ambitious Sam got his chance at management of another dealership in a nearby city.



3 Within a year his ability to operate the business successfully earned him a partnership in still another town. Sam quickly made good at it. Time passed, and his bank account grew. But his thoughts still dwelt constantly on larger fields.



4 Sam had set his mind on having a dealership of his own. Before long he and a former employer became a Dodge-Plymouth dealer. That was in 1932. Since 1937, when his partner retired, Sam has been sole owner.

SAM'S success has been duplicated many times among the men selling and servicing Chrysler Corporation products. His story is a good example of competitive enterprise at work ... giving men of energy and initiative the chance to progress as far as their beliefs, desires and industriousness can take them.

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Of course, Sam isn't his real name. But the facts of this typical success story can be substantiated in every detail by records in the file of the Chrysler Corporation.

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Enough Sulphur

Sulphuric acid shortage focuses spotlight on the nation's extensive deposits of elemental sulphur, vital in war and peace.

Back in 1942 U. S. procurement officers, taking inventory of vital industrial materials, were beset with many a problem. But a bright spot was the supply of sulphuric acid (traditional No. 1 item in chemical manufacturing and processing) and the elemental sulphur from which a lot of it comes. There was a shortage of neither (BW—Feb. 21 '42, p54), and barring the unforeseen, there appeared to be no likelihood that there would be.

• **Shortage Revealed**—But last month, a committee of the War Production Board reported that estimated requirements of industry for new and spent acid for 1944 are 10,556,200 tons, against a supply of around 9,659,700 tons.

And the outlook was even darker for the first half of 1945, when requirements will be 5,663,600 tons with an estimated supply of 5,251,000 tons.

To make the situation worse, these figures are exclusive of production and requirements of the Office of the Chief of Ordnance.

However, projects now under way are expected to bring the capacity of the industry up to 9,426,600 tons on June 30, 1945.

• **Six Plants Planned**—WPB disclosed that there is an anticipated annual shortage of from 30,000 to 50,000 tons of acid in the Chicago area, and that plans for two new plants have been submitted by industry to alleviate this shortage. The advisory committee on inorganic

acids suggested that WPB approve a plant for this area. In the St. Louis area plans were submitted for three new plants, and the committee approved three (Monsanto Chemical Corp., East St. Louis, Ill., a plant to produce from 70,000 to 75,000 tons annually; National Lead Co., East St. Louis, a plant of similar size; and General Chemical Co., Newell, Pa., a plant to produce oleum—concentrated sulphuric acid).

On top of these plans of industry were proposals of the Chief of Ordnance to erect two new government-owned plants of 75,000 tons annual capacity, one at Charlestown, Ind., the other at Tyner, Tenn.

• **Plenty of Sulphur**—Because the United States produces 80% of the world supply of elemental sulphur of the brimstone type, there is no substantial problem of supplying the proposed acid plants with raw materials (70% of all sulphur used goes for acid).

About 90% of the U. S. brimstone is produced in the Gulf Coast section of Texas and Louisiana, mostly in Fort Bend, Brazoria, Wharton, and adjacent counties of Texas, with substantial production in southwestern Louisiana.

In addition to elemental sulphur, the U. S. produces an estimated 25% of the pyrites and waste smelter gases of the world which are used as sulphur equivalent (pyrites produce 40% to 45% sulphur).

• **Postwar Outlook**—Sulphur producers do not look for a substantial reduction in the volume of their sales when peace comes. Although greater quantities of explosives have been used in this war than in the World War, improved methods have heavily cut the amount of sulphur used in the manufacture of smokeless powder and TNT. Therefore the cutback in this field will not affect the sulphur industry as much as it has



Resembling an oil rig is the surface equipment (left) for Texas sulphur mining by which underground deposits are melted with steam vapor and forced up as liquid (right). The molten mineral is then solidified in vats.

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BW-11-10

been popularly supposed that it would. Sulphur has long been used extensively in petroleum refining, rubber manufacture, pickling and galvanizing of steel, and other such processes, but a new method of refining high-octane gasoline will call for greater use of the mineral. Then, too, it is expected that the anticipated increase in the use of plastics will bring larger orders from that industry than were received before the war. The manufacture of synthetic rubber, in which sulphur is used as a toughener, also is expected to offer enlarged markets.

Melted in Earth—Unique in production, U. S. sulphur of the brimstone type is not taken from pits by the quarry method as was originally done in the sulphur mines of Sicily. The commercial sulphur industry in Sicily was almost a world monopoly until Herman Frasch, a chemical engineer from Wuertemberg, developed a method in 1894 to mine the sulphur in southwest Louisiana by first melting the mineral 500 ft. below surface with steam vapor and forcing it by air to the top of the well.

The Frasch method has been improved and today is employed by four big Texas sulphur producers: the Freeport Sulphur Co., Freeport; Duval Sulphur Co. in Fort Bend County; Texas Gulf Sulphur Co. at New Gulf; and the Jefferson Lake Sulphur Co. in Brazoria County, Tex. Several of the big sulphur producers are off-shoots from early oil exploration companies.

Sulphur is obtained in this country by drilling wells into the brimstone formations, setting pipe through which steam vapor is pumped at 350F. Sulphur melts at 240F; and as the steam vapor goes out through the limestone formation that is honeycombed with sulphur, the molten liquid rises in an outer and larger pipe that encases the inside steam line.

Pumped Into Vats—This molten sulphur is pumped into huge tanks from which relay pumps pick it up and pump through insulated lines to vast sulphur vats formed with wooden sideboards or frames that are gradually increased in height as the hot sulphur boils to form a new floor and the liquid continues to pour out on top. These sulphur vats resemble huge solid mounds of yellow sulphur.

Rick after rick of the sulphur vats at the producing area. Gondola cars run along side the sulphur mounds which are broken up by blasting so that steam shovels or clamshell cranes can load the cars for shipment cross-country or to Freeport and Galveston where the sulphur is usually transferred to barges for coastwise shipment, or to lighters for export.

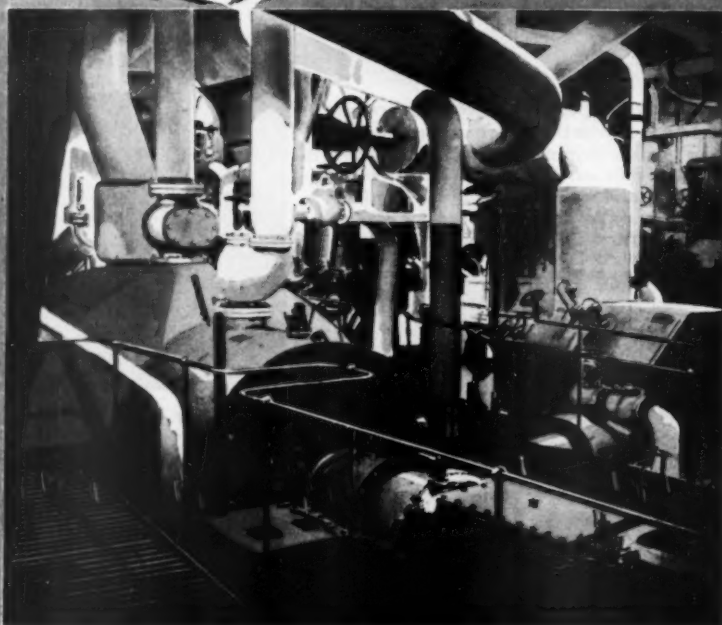
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PIPE HANGERS

Trains Speeded

Capacity of single-track lines is expanded greatly with centralized traffic control. It keeps the trains moving.

American railroads are setting new wartime records despite the handicap of manpower shortages and lack of equipment. Last year freight trains rolled up a total of 727,000,000,000 revenue ton-miles, 14% over the previous high mark of 1942 and 118% over peacetime 1939; passenger traffic totaled 88,000,000,000 passenger-miles, 64% over 1942's record load and 288% over 1939.

• **Load Still Growing**—This year the figures are still climbing. In the first six months of 1944 freight service jumped to 370,000,000,000 ton-miles, 5.4% more than for the same period of 1943; passenger miles totaled 47,000,000,000, or 19% over 1943.

This achievement has been made possible through more efficient use of men and equipment, and through the co-operation of the railroads, travelers, shippers, and the government. But the railroads are getting a big lift through the expanded use of centralized traffic control, a modern aid to railroading that increases the capacity of a single-track line up to 30%, sometimes more.

• **Spotlight on CTC**—Centralized traffic control, or CTC as it is called by railroad men, enables the locomotive engineer and the conductor to operate trains without written orders. Under CTC trains operate entirely by signal indication through the control exercised over the switches and wayside signals by electrical impulses sent out from a control station.

The operation of passing-track switches by the CTC control operator enables fast trains to pass slower ones. It is now commonplace on a single-track line for trains going in opposite directions to pass without either train having to slow materially—thanks to CTC.

• **Greater Efficiency**—Today centralized traffic control is installed on 4,745 miles of track, and trains are kept moving with an efficiency undreamed of a few years ago. Nearly all Class I roads are turning to CTC to help handle their extra load.

The Missouri Pacific, with 570 miles, claims more mileage under CTC than any other railroad, as well as the world's longest continuous stretch of track over which trains are run without written orders. But other roads have long CTC stretches, too. The Burlington, for in-

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stance, has a 105-mi. continuous section.

• **Speeds Up Trains**—Missouri Pacific, which pioneered in centralized traffic control, having set up a forerunner of the present system in 1924, has found that CTC speeds freight trains at average one-half to 1½ minutes per mile.

CTC has been especially useful in speeding Mop's wartime traffic between Texas-Louisiana points and St. Louis. When traffic commenced to grow in 1940, L. W. Baldwin, head of the Missouri Pacific for the past 20 years, started lengthening passing tracks and building new ones between Poplar Bluff, Mo., and Texarkana, Tex., and obtained War Production Board authority to make additional CTC installations.

Thus by expending a relatively small sum, compared with the cost of building another main line, Mop has greatly increased the capacity of the 324-mi. Poplar Bluff-Texarkana section and prevented what might have developed into a wartime bottleneck.

Between Texarkana and Longview, Tex., Mop trains operate over the rails of the connecting Texas & Pacific Railway. This stretch is CTC equipped also.

• **Depends on Orders**—When trains are operated by timetable and written train order, everything goes well if no extra trains are sent out and if all the scheduled trains are right on the dot. Without centralized control, the train dispatcher has to issue written orders to each train not moving in accordance with its timetable, and these orders have to be delivered to train crews at stations well ahead of the places where the trains are to pass or are to wait on siding.

On some lines traffic became so heavy that dispatchers just couldn't keep up with the orders. The result—irritating and costly delays. To help remedy the situation, WPB has authorized more than 2,000 mi. of CTC since Jan. 1, 1942.

• **Diagram Shows Trains**—CTC systems are controlled from stations at strategic points along a rail line. As the trains move, their positions are shown automatically on an electrically illuminated diagram desk of an operator who moves knobs or levers to control the wayside signals along the rail line and also to control the switches at the various passing tracks. Controls are so interlocked electrically that what the signal says must conform to the position of the switch.

With an eye on the panel showing the position of his trains, the control station operator throws each switch and at the same time sets the signal to tell the locomotive engineer what to

Property Facts Will Help..



**The AMERICAN
APPRAISAL
Company**

CONSULTANTS IN PROPERTY APPRAISAL



LAST CALL 16th National POWER SHOW

*New Products on Exhibit!
Plan Now To Attend*

Engineers and executives responsible for the conservation and use of power can get new ideas, see first-hand war-time power developments and new products, at the 16th National Exposition of Power and Mechanical Engineering—November 27 through December 2 — at Madison Square Garden, New York, N. Y.

This war-time Power Show presents a pooling of practical, tested ways and means of maintaining and utilizing power. Scores of interesting and informative exhibits will cover practically every phase of power and mechanical engineering. Specialists in attendance at exhibits will furnish latest advice on use and maintenance of their equipment, some of which will be shown for the first time.

By attending and getting vital, up-to-date power news and information, you can get a sharper and clearer perspective of what's ahead and what you will have to work with.

Plan to attend with as many of your associates as can be benefited. As in the past, the Exposition will be open by invitation and registration to visitors directly associated with power and production operations, but closed to the general public. No admission fee will be charged.

do-stop, or proceed, or enter a siding, or leave a siding and proceed to the next control point—and just where to do it.

• **Has Safety Function**—The whole CTC operation is handled on two lines of wires without interfering with the automatic feature of the block signals, which continue to perform their usual safety functions. If anything goes wrong with either system, the lights automatically go red to halt all traffic until the trouble can be corrected.

Closer meets between trains and quicker run-arounds of a slow train by a faster one are made possible by CTC. The Louisville & Nashville has expedited handling of about 50 trains daily on the 117-mi. CTC section of its line from Cincinnati to New Orleans. The Union Pacific has found that its CTC makes a substantial saving in the operation of helper locomotives on heavy grades.

• **Many Installations**—Other lines installing or expanding CTC include the Santa Fe between Los Angeles and San Diego; the Southern Pacific between Colton and Indio, Calif., and between Vista and Massie, Nev.; Western Pacific between Oroville and Portola, Calif.; Nashville, Chattanooga & St. Louis Ry. between Nashville and Stevenson, Tenn.; Denver & Rio Grande Western, and Denver & Salt Lake in various sections throughout the Rocky Mountains.

Most CTC systems follow the same pattern, but the system can be extended to include miniature signals in locomotive cabs so designed that the

engineer has before him at all times a color-light indication for guidance. This system recently has been installed on a portion of the Rock Island, including the 180-mi. section between Chicago and Rock Island, Ill.

Another modification of CTC is found on double-track lines, enabling trains to proceed in either direction on each track through the use of cross-overs and remote-control switches.

• **Good for a Rainy Night**—While CTC speeds up operations of an entire railroad, it is the brakeman who gets the real break—especially on a cold, rainy night.

Without CTC, a train comes to a full stop before entering a passing track. The head brakeman leaves the engine, runs forward, opens the switch, and hand-signals the engineer to enter the passing track. And when the train leaves the siding it must come to a full stop on the main track while the rear brakeman runs back to close the switch. With CTC, the brakemen stay aboard the train out of the weather.



At the "console" of a CTC unit in Hope, Ark., a Missouri Pacific operator (below) manipulates switches which permit nonstop passing on a single track miles away (right).



THE SALESMAN WILL HAVE A JOB TO DO



His duty will be to get orders. That's the only way business can be kept going, and profits made.

Let's take a look at his postwar job.

He will have two important things to sell—the reputation of his firm and its products, and his price.

The salesman, or the sales manager, who expects all prewar customers to come right back into the fold may be due for some surprises.

For there are new competitors now getting ready, and old competitors will have improved products, and maybe better prices.

There are two ways Acme-Gridley Automatics—Bar and Chucking—can help salesmen be more productive.

They help to produce better merchandise by turning out milled parts of *greater precision*.

And they help to produce lower selling prices by turning out precision parts *faster*, and therefore **AT LOWER COST.**

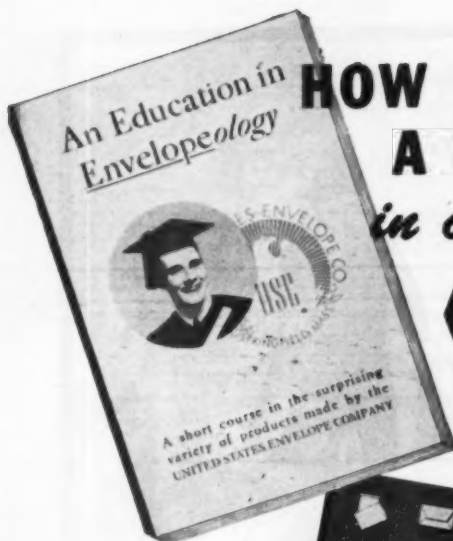
Let us discuss with you the *sales value* of using more Acme-Gridley Automatics. No obligation—just tell us when you are ready to talk.



ACME-GRIDLEY
BAR and CHUCKING AUTOMATICS
maintain accuracy at the
highest spindle speeds
and fastest feeds modern
cutting tools can withstand.

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CLEVELAND • OHIO



HOW TO PACKAGE A PROBLEM

in one easy lesson

Send for this booklet . . . read it (five minutes) . . . and get a bird's-eye view of how to "pack" everything from letters to lettuce, from tickets to toothbrushes, from candy to carburetors . . . For instance:

Did you realize that there are over 40 styles of envelopes — each widely used — each doing an important job . . . Here may be a saving in money and time for your organization!



How does Uncle Sam use packaging for War? The interesting story is briefed for you in pictures that may suggest possibilities for your postwar packaging problems.

The booklet, giving a brief outline of other interesting products made by U.S.E., will be sent you *Free* — just send us your name and address. And remember, U.S. Experts are ready to help you "Package a Problem" anytime — *better now while there's still time.*

UNITED STATES ENVELOPE COMPANY
General Offices
SPRINGFIELD 2, MASSACHUSETTS

U*S*E *protective packaging*

Products of United States Envelope Company include WAR PRODUCT PACKAGING • TRANSPARENT CONTAINERS • ENVELOPES • WRITING PAPER • LINWEAVE PAPERS • NOTE BOOKS • PAPER CUPS • TOILET TISSUE • PAPER TOWELS

"Bandits" Taxed

U.S. hits the jackpot with \$100 stamp fee on slot machine parlors declared illegal by most of the states.

When the federal government casts about for sources of revenue, it does not let the fact that many states have outlawed certain activities stand in the way of levying taxes on the illegal enterprises.

• **Slot Machine Bonanza**—The realistic federal tax folks take the view that violators of state laws are willing to take a chance with local enforcement officers but will lay federal taxes on the line rather than tangle with Uncle Sam.

Thus, slot machine parlors, outlawed by most states, paid \$7,781,600 into the federal treasury in the fiscal year ended last July 1. According to federal statistics, 77,816 slot machine parlors in the U. S., Hawaii, and Alaska paid federal taxes last year, compared with 85,987 the year before.

• **Nevada Still Champion**—Top states in which money that many businessmen wish had been spent for goods and services went instead into "one-arm bandits" were: California with 7,737 coin-operated gaming device establishments; Illinois with 7,231; Louisiana with 5,926; Wisconsin with 5,596; and Ohio with 5,114. Even Kansas has 1,188.

But biggest slot machine parlor state in proportion to its size continues to be Nevada, followed in order by Wyoming, Idaho, Washington, Louisiana, and Oregon.


• **Stamp Costs \$100**—In New York City 17 establishments are paying taxes on slot machines, according to the Bureau of Internal Revenue.

Washington, D. C., has 21. Other low districts are Oklahoma with 27; Maine with 50; Delaware with 49; and Hawaii with 51. These figures represent establishments where there may be one or more slot machines (coin-operated amusement machines are not included), but the \$100 tax stamp covers all machines.

• **The Business Angle**—In New Orleans, the Ministerial Union has been emphasizing the business angle of the rackets more strongly than the moral angle in a perpetual fight on gambling.

Their figures, obtained from the district Collector of Internal Revenue, show 8,365 slot machines in 5,926 parlors. About 5,000 are in New Orleans.

During the past three and one-half years, the courts have destroyed only 586 machines, about 14 a month. A bill dealing with slot machines was killed in



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...TEN-TON PULPSTONE

Two hundred thousand sizes and grade-grain-bond combinations
of Norton Grinding Wheels* . . .

Structures scientifically controlled—dense, medium, open . . .
meeting the exacting needs of industry . . .


Norton grinding wheels 3/32 inch diameter up to the giant
Pulpstones six feet diameter. . . And also available—Norton
engineering—men schooled to define the correct grinding pro-
cedure for your production.

Are you taking full advantage of the wide scope modern
service?

*Estimated.

Norton Company, Worcester 6, Mass.

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THE SMALLEST NORTON
GRINDING WHEEL . . .
... ONE OUNCE

NORTON ABRASIVES



Continuing on with Confidence.

FOR the second time in one generation this country is turning the tide of victory in a great war. Abroad, our armed forces have shown what free men can accomplish. At home, free enterprise has proved itself by the tremendous volume of its production.

Acme Aluminum Alloys, Inc. is itself a product of free enterprise. Little known in 1919, it is now among the leaders of its industry. The growth of companies like Acme is proof that the free enterprise system remains vigorous and strong.

Free men and free enterprise are steering this country through a great crisis. Free men and free enterprise can continue on with confidence, whatever the future may bring.

ACME

Aluminum Alloys, Inc.

Formerly Acme Patterns & Tool Co., Inc.

DAYTON 3, OHIO

PATTERNS • TOOLS • ALUMINUM CASTINGS • ENGINEERING

SLOT MACHINE CENSUS

The state-by-state census of slot machine parlors which paid U. S. taxes in 1944 follows:

Ala.	115	Mont.	751
Alaska ...	105	Neb.	358
Ariz.	625	Nev.	1,016
Ark.	356	N. H.	178
Calif.	7,737	N. J.	247
Colo.	465	N. M.	155
Conn.	467	N. Y.	1,096
Del.	49	N. C.	197
D. of C. ...	21	N. D.	81
Fla.	1,713	Ohio	5,114
Ga.	1,494	Okla.	27
Hawaii ...	51	Ore.	2,447
Idaho	1,370	Pa.	3,992
Ill.	7,231	R. I.	180
Ind.	1,169	S. C.	370
Iowa	1,356	S. D.	191
Kan.	1,188	Tenn.	255
Ky.	1,200	Tex.	4,281
La.	5,926	Utah	713
Me.	50	Vt.	77
Md.	2,039	Va.	614
Mass.	445	Wash.	5,053
Mich.	940	W. Va. ...	1,178
Minn.	4,651	Wis.	5,596
Miss.	1,842	Wyo.	784
Mo.	260		

the Louisiana legislature, but the fighting churchmen have introduced it again.

• **Part-Time Ban**—Wisconsin is rather smug about its slot machines which last year brought in \$559,600 in taxes alone.

Although the money goes to the federal government, Wisconsin thinks that tourists who flock to its lakes and resorts pay not only for the tax stamps but a fat profit to the owners of the machines. In many Wisconsin resorts, slot machine gambling is legal only in the summer time.

ACID PLANTS AUTHORIZED

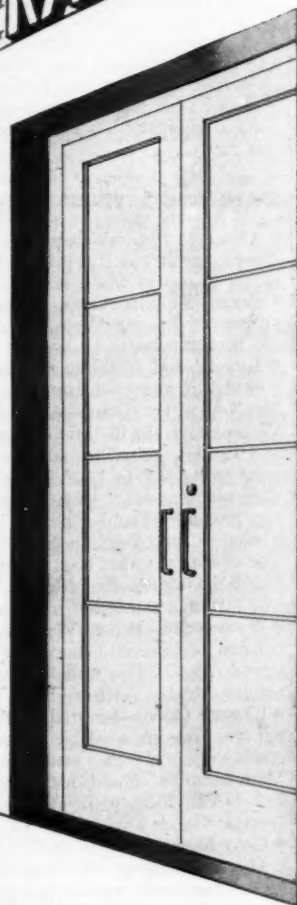
Because of plant breakdowns and other production complications, the output of anhydrous hydrofluoric acid, used in the manufacture of aviation gasoline and in the production of Freon-12 for refrigeration and aerosol bombs, has not met production schedules.

To correct the situation, WPB has authorized the construction of new facilities. WPB officials estimated that upon the completion of the new facilities in February, 1945, the rate of production will be increased to 9,500 tons a quarter, ample for military and essential civilian needs.

The lag in production rate was blamed on the lack of uniformity and poor quality of fluorspar received by the plants; scarcity of reliable and well-trained personnel; and frequent equipment failure caused mainly by corrosion.

RAYTHEON

The House of Many Doors



RAYTHEON is truly a house of many doors . . . doors that lead to many research, engineering, and production groups which have made great contributions to the quality and quantity of electronic equipment and receiving and transmitting tubes now helping the armed forces.

Today, behind these closed doors over 16,000 men and women are devoted to war work. Tomorrow, these doors will be wide open and through them will come new developments in all phases of electronics.



Tune in the Raytheon radio program: "MEET YOUR NAVY," every Saturday night on the Blue Network. Consult your local newspaper for time and station.

Devoted to research and manufacture of complete electronic equipment; receiving, transmitting and hearing aid tubes; transformers; and voltage stabilizers.

**To Speed Victory—
Buy More War Bonds Now**



- CORRUGATED and SOLID FIBRE
- FOLDING CARTONS
- KRAFT GROCERY BAGS and SACKS
- KRAFT PAPER and SPECIALTIES

- to protect your product
- to attract more favorable attention
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From Forest to Finished Product

GAYLORD CONTAINER CORPORATION

General Offices: SAINT LOUIS

CORRUGATED AND SOLID FIBRE BOXES ... FOLDING CARTONS ... KRAFT
GROCERY BAGS and SACKS ... KRAFT PAPER AND SPECIALTIES

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City • Seattle • Indianapolis • Houston • Los Angeles • Oakland
Minneapolis • Dallas • Jacksonville • Columbus • Fort Worth • Tampa
Detroit • Cincinnati • Des Moines • Oklahoma City • Greenville
Portland • St. Louis • San Antonio • Memphis • Kansas City • Milwaukee
Chattanooga • Bogalusa • Weslaco • New Haven • Appleton

WAR BUSINESS CHECKLIST

A digest of new federal regulations affecting priorities, price control, and transportation.

Surplus Goods for Sale

The Office of Surplus Property, Treasury Dept., is offering 2,000 used standard scout cars, heavy armored type, model M3A1 (4X4) by negotiated sales or informal bids, as is. Military tires and batteries are being replaced with civilian types. All radio and combat equipment has been removed from the cars.

Increased Civilian Supply

Order M-174, which prohibited the purchase, delivery, or use of elastic fabric six inches or less in width except on orders for Defense Supplies Corp. or as specifically authorized by the War Production Board, has been revoked.

● **Infants' and Children's Apparel**—Because a change in the production program (BW—Nov. 4 '44, p94) eliminates item 22 (overalls and coveralls in certain sizes and prices) and revises priorities assistance with respect to items 2 to 17 inclusive (nightwear), manufacturers who wish to participate in the program should file new applications, labeled "Corrected," on Form WPB 3732. The closing date has been extended to Nov. 15. (Schedule A, Supplement VIII, Order M-328B, as amended.)

● **Nonjeweled Wrist Watches**—WPB has released a limited quantity of these, designed especially for nurses, for sale through regular outlets.

● **Church Goods**—Limited amounts of copper and brass are available for use in church goods essential for conducting services. Manufacturers should file form CMP 4B and WPB 3820 with WPB's Consumers Durable Goods Division.

● **Gas Masks**—Orders L-57, L-105, and L-115, controlling the manufacture and sale of gas masks and antigas protective devices to be used for civilian defense, have been revoked.

● **Electric Ranges**—WPB has issued authorization for the production of 12,400 domestic electric ranges in the fourth quarter of 1944 to five manufacturers who are able to make them without interfering with war production. The manufacturers are: A. B. Stoves, Inc., Battle Creek, Mich.; Frigidaire Division General Motors Corp., Dayton, Ohio; Newark Stove Co., Newark, Ohio; Roberts & Mander Stove Co., Hatboro, Pa.; Rutenber Electric Co., Marion, Ind.

Decreased Civilian Supply

Because of heavy military demands for scrub brushes, almost the entire facilities for producing them will be used in the first quarter of 1945 to fill military orders. Sales for civilian use and for export will

be restricted to distributors and jobbers from now through the first quarter of next year.

Relaxed Restrictions

In modifying construction limitations on building projects authorized on Form GA-1456—form for most commercial, industrial, and agricultural construction controlled by Order L-41—WPB has permitted the use of steel plate, aluminum, metal lath, certain hardware, plumbing and heating items, and other items made of steel sheet or strip or of copper. Lumber restrictions have been simplified, and former restrictions on electrical installations have been changed to a single prohibition against wire and conduit of larger sizes than the minimum required by the 1940 National Electric Code. Copies of Schedule A to CMP Regulation 6 are available at WPB district offices. Builders who have received authorization on GA-1456 may follow either the old or the new restrictions, which apply also to certain utility construction under Order U-1. Construction authorized by National Housing Agency is subject to Limited Preference Rating Order P-55-c.

• **Electrical Conduit, Metallic Tubing**—Order L-225, controlling manufacture and sale, has been revoked since the type of steel used is no longer in short supply.

• **Mechanics' Hand Tools**—Sales of certain types do not now require specific WPB authorization on Form 1319 under Order M-293. Purchasers are still subject to General Preference Order E-6, requiring a rating of AA-5 or better for orders placed with producers, and to Order L-216, Schedules 2 and 3.

• **Coated Abrasive Products**—Purchasers need no longer file Form WPB-3478 under an amendment to WPB Order M-293, Table 12.

• **Residual Fuel Oil**—Use for road work in all parts of the country except Arizona, California, Nevada, Oregon, and Washington is permitted by amendment of Petroleum Administration for War Directive 72.

Tightened Restrictions

To conserve supplies of high carbon steel wire, WPB has placed restrictions on the manufacture of steel wire rope, prohibiting the use of high-carbon wire filler in some sizes and limiting the number of wires used. (Schedule 16, Order L-211.)

• **Matches**—Ninety percent of all penny box safety matches and 25% of all book matches produced during the next six months will be delivered to the armed services. The supply of the "strike anywhere" type will be sufficient to meet all civilian needs, according to WPB.

Price Control Changes

OPA has established a special formula, based on total production costs, for pricing any additional output of easy processing channel carbon black produced from existing facilities over and above the monthly average for the first six months of 1944. The incremental output, urgently needed in the synthetic rubber program, will be handled through Defense Supplies Corp.,

Tops in Protection



YOU can get Cyclone Fence today, if you are making war goods and have the proper priority. So, if your plant needs fence, gates, window guards or wire mesh barriers, write us at once about your requirements. We will quickly send recommendations and an estimate. You'll be under no obligation. And even if you are

not eligible for fence and other plant protection products, it will pay to plan now for your postwar needs. Ask for our free 32-page book on fence. It is full of pictures and information that will help you select the proper type of fence and other safeguards. This useful book is free. Write, or mail the coupon below.

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It's full of facts, specifications, illustrations.

Shows 14 types of fence. Before you choose any fence for your property, get the facts about Cyclone. Mail this coupon today.

Name.....

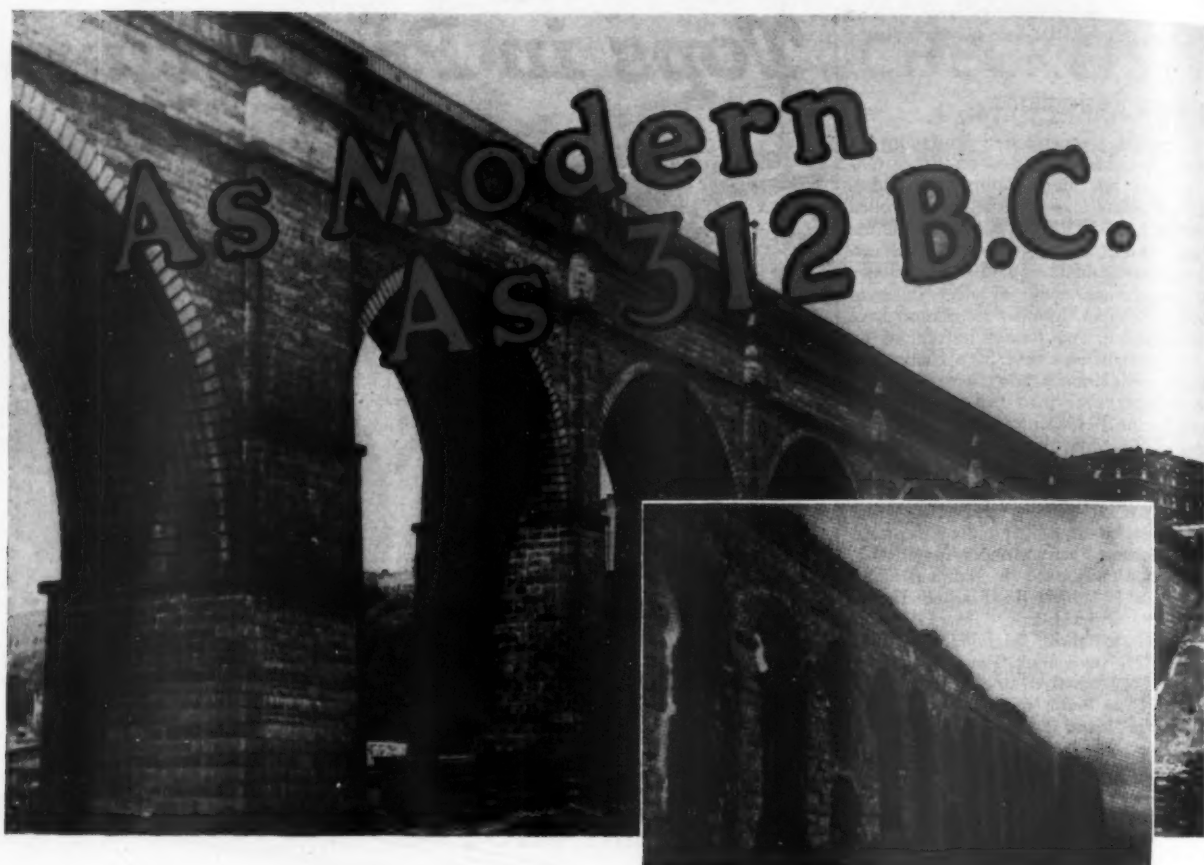
Address.....

City..... State.....

Interested in fencing: ☐ Industrial; ☐ School; ☐ Playground;

☐ Residence. Approximately.....feet.





THIS huge pile of masonry is part of the Old Croton Aqueduct, delivering daily twenty-four million gallons of water to New York City. Old Croton is solid brickwork, concrete, and cast iron, 41 miles long, completed in 1848 after 11 years of work at a cost of \$11,500,000.

Old Croton is only a hundred years old, but it might just as well be 2,256 years old, for it copies the principles and design of the even more famous Claudian Aqueduct of 312 B.C., whose ruins our boys see at Rome.

The modern way to provide cities with a permanent water supply is by means of steel

pipe. Through one 24-inch steel pipe, for example--could be pumped as much water as this old aqueduct carries.*

Old Croton and the Claudian Aqueduct remind us that Steel, in its many versatile applications, has made America "modern"—also that Steel has a tremendous job still to do. Now dealing death and destruction to the enemies of civilization, Steel will have the task of helping restore world peace and prosperity. This basic metal, of which Youngstown is a leading manufacturer, will help make the post-war world a far better place in which to live.

**Figured according to Hazen - Williams "C" values.*



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which will buy at the individual price established for each producer (or an estimated price, pending receipt of further data) and will sell at the weighted average cost of acquisition. (Amendment 183, Revised Supplementary Regulation 14 to Gen. Max.)

• **Duck**—The OPA provision that duck producers may enter into adjustable pricing contracts with war procurement agencies now applies also to contracts with other persons. (Amendment 7, Supplementary Order 92.)

• **Cloths**—The price exemption for wind-resistant, water-repellent Oxford materials made completely of combed cotton yarns and used in sleeping bags and shelter tents has been extended until Jan. 1, 1945. (Amendment 25, Regulation 127; Amendment 20, Regulation 11.)

• **Shoes**—Shoes with the new nonmarking synthetic rubber soles, to appear on the market shortly, must be priced as new items under Gen. Max. When a new type of heel is substituted for "carbon black" rubber heels, the shoe is not classed as a new type under the regulation. (Order 13, Sec. 1499.3 (c) (3) of Gen. Max.)

Plastic heels and soles have been exempted from the plastics products regulation and placed under Gen. Max. (Amendment 3, Regulation 523.)

• **Fresh Snap Beans**—The shipping-point ceiling price has been increased \$1.55 per bu. from Nov. 1 through Nov. 30 for all beans except those produced in California, to compensate Florida growers for the heavy hurricane damage to the snap bean crop. (Amendment 67, OPA Regulation 426.)

• **Antiques**—Charges for repair, maintenance, and other servicing of antiques at least 75 years old have been exempted from price control, effective Nov. 11, by Amendment 54 to Revised Supplementary Regulation 11 to Gen. Max.

• **Plug Chewing Tobacco**—Amendment 154, Revised Supplementary Regulation 14 to Gen. Max. has increased ceiling prices 20% at all sales levels, beginning Nov. 8. Customary discounts and allowances are not affected.

Ration Control Changes

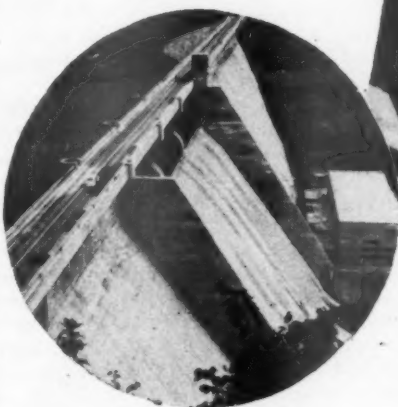
All automobile dealers are required by OPA to post lists of their current inventory of 1942 cars for sale. If a dealer has no 1942 cars, he must so state. Car ration certificates are valid 60 days instead of 15, as formerly. Dealers who refuse to sell to a certified customer who has the cash may be barred from business in rationed cars. Certificate holders who want help in locating a new car for sale may write OPA, Inventory & Control Branch, Empire State Bldg., New York. (Amendment 16, Ration Order 28.)

• **Shoes**—Current stocks of shoes containing no leather except small quantities used to reinforce fabric uppers, made or imported before Nov. 6, have been removed from rationing, effective from that date. (Amendment 82, OPA Ration Order 17.)

• **Canned Foods**—Producers and distributors must file periodic reports on supplies of formerly rationed items even though the foods have been removed from the rationing program, OPA has ruled. (Amendments 61, 62, Revised Ration Order 13.)

CONCRETE

the structural plastic



View of Norris Dam with highway across the top.



Window details of church—concrete cast in plaster waste molds.

sturdy airport runways, firesafe warehouses, arsenals, munitions factories and huge hydroelectric plants.

Concrete floors for hogs and cattle conserve farm labor. Concrete sanitary dairy barns, milk houses and ratproof granaries conserve war food.

Applied to postwar construction, Concrete the Structural Plastic can put beauty, charm, long life and enduring strength into homes, schools and public buildings; will build splendid highways, streets and civilian airports—all at low annual cost.

CONCRETE, the modern Structural Plastic, is adapted equally well to the most delicate architectural design or to the rugged mass of the largest engineering structures.

When once molded and cured, concrete is rigid and strong—a tough, durable material resisting fire and weather at low annual cost.

Concrete has been cast into

PORTLAND CEMENT ASSOCIATION

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A national organization to improve and extend the uses of concrete... through scientific research and engineering field work

BUY MORE WAR BONDS

Concrete highways like the Pennsylvania Turnpike are built to withstand the heaviest traffic.



PRODUCTION

Shock Absorbers

Improved ride for freight cars is aim of hydraulic device. Enterprising McIntyre brothers see a vast postwar market.

Installation of hydraulic shock absorbers on an experimental basis on a few freight cars—possibly on the New York Central and the Milwaukee Road—will mark a radical departure in railroading. And although opinion is divided over practicality of absorbers for freights, the development holds a vast potential postwar market for the products and ideas of the three enterprising McIntyre brothers of Monroe, Mich.

• **A Common Interest**—Hydraulic shock absorbers have been used for a number of years on passenger trains, and many of the streamliners built since 1936 are equipped with absorbers developed by the Monroe Auto Equipment Co.

The three brothers whose common and consuming interest is taking the jars out of life are Brouwer D. McIntyre, 39, president and general manager of the rapidly growing manufacturing concern; William, 37, vice-president and treasurer; and Charles S., 32, secretary and sales manager.

• **Absorbers for Tanks**—For 18 years Monroe has been prominent in the au-

tomotive field, pioneering and specializing in hydraulics, particularly shock absorbers and pumps. During the war Monroe has made shock absorbers for jeeps, scout cars, and tanks. As a result of stabilized riding, firing accuracy from the tanks has been greatly increased.

A new Army truck is being equipped with the absorbers, and the McIntyres envision their use in most heavy-duty trucks after the war.

Also being installed on an experimental basis in some trucks is the McIntyre "suspension" seat, which is designed to give smooth riding on rough roads.

• **Peacetime Uses**—Primarily designed for military use, the suspension seat is expected to have many postwar applications. The designers say that the seat used on tractors, for instance, would reduce the danger of a farmer's being thrown by an unsnubbed spring; that the seat would have health-promoting value in trucks, where the jostling has caused much kidney trouble among drivers; that it also would give riding comfort to passenger automobiles and motorcycles.

Its operating principle involves providing snubbers for the seat springs, cutting down the compression of the spring on the drop, and checking its return to normal on the upswing.

The McIntyres developed the seats used in Army tanks, and already have

built more than 180,000 of the units. • **Other Projects**—They manufacture more than a dozen hydraulic devices for airplanes, have developed a new process for plating plastic with metal, and are now experimenting with a rubber casting machine designed to mold parts in three minutes instead of the usual 30 minutes.

Besides developing the shock absorbers for the streamliners, the McIntyres introduced the sway bar that makes it possible for light, fast trains to maintain even riding. They also designed a lateral shock absorber that takes the shock out of starting a long freight train.

The McIntyres are working with the Reynolds Metals Co. and the Aluminum Co. of America in the application of the hydraulic shock absorbers on lightweight freight cars, and the first installations are scheduled for next month. Their postwar aim is also to re-equip all the nation's 2,000,000 standard freight cars.

• **Snubbers Criticized**—The McIntyres feel that improvements in freight cars cannot be effective without improvement of the spring bed to afford smoother riding for the cars and their payloads. They contend that friction snubbers on 75% of all freight cars generally are unsatisfactory because they lose efficiency too quickly, require servicing too frequently, are not silent, and do not give versatile snubbing action or enough snubbing action.

Some railroad men disagree and claim that snubbers have proved satisfactory. They cite as an advantage the fact that snubbers can be repaired in almost any railroad shop. A possible disadvantage of hydraulic shock absorbers would be



Working in the common interest of easing the jolts on anything that rolls are Monroe Auto Equipment's brother executives (left to right): Brouwer D. McIntyre, president; Wil-

liam, vice-president, and Charles S., secretary. Besides inventing 33 hydraulic devices—including the three-way shock absorber used on U. S. Army tanks—Brouwer served two

years as WPB's small arms director. During this Washington service he supervised development of the bazooka—in time to fly it in quantity to the embattled Russians at Stalingrad.

Want your child to hear *better* Radio Programs?

your child will find laughter and fun and thrilling tales of adventure and courage on the Blue. *Hop Harrigan* of the U. S. Army Air Forces is one of the most beloved—and the most listened to—of all kids' series. *Terry and the Pirates* and that All-American boy, *Jack Armstrong*, are two other popular Blue Network youngsters' programs of which radio can be proud.

As a basic policy, the Blue Network's Public Service Division keeps in constant touch with Parent Teacher Associations, local citizens' Radio Councils and Women's Clubs for guidance.

The Blue's "Kid Shows" are evidence of a new trend in Radio

radio listening habits are changing. People are listening more hours each day to the 196 Blue Network stations. The young and virile Blue Network has a new approach to radio's job in a democracy.

New types of daytime shows have brought Blue stations the largest morning audience of any network. Important public service features made listenable by different program techniques . . . new evening shows keyed to the public's demand for improvement in radio programs and starring the ablest entertainers . . . are convincing more people every day that radio is worth listening to. The measure of our success lies in the increasing number of listeners who have a renewed interest in radio because there is something new on the Blue.



Tired of your old favorites?...find new ones on the Blue

Try the new ones on the Blue. New, exciting radio features are coming to the Blue Network every week. . . . Here are some of them:

FINE COMEDY SHOWS

Ed Wynn
Gracie Fields
Alan Young
William Bendix
Charlotte Greenwood
Milton Berle

EXCITING DRAMATIC SHOWS

Ethel Barrymore
Counter Spy
Gang Busters
Herbert Marshall
Lone Ranger
Hollywood Mystery Theater

A WIDE VARIETY IN MUSIC

Boston Symphony
Guy Lombardo
Fred Waring
Metropolitan Opera
Spotlight Bands
Paul Whiteman

NEW TYPE DAYTIME SHOWS

Breakfast at Sardi's
My True Story
Breakfast Club
Listening Post
Glamour Manor
Morton Downey

ACCURATE NEWS REPORTING

Walter Winchell
Time Views the News
Drew Pearson
Raymond Gram Swing
March of Time
John B. Kennedy

"THIS IS THE *Blue* NETWORK"



"Double, double toil and trouble..."

MR. OFFICE MANAGER, if you feel that the war has brought you a double-double dose of office troubles—don't grow morbid! We know that you lack the necessary space and equipment for efficient operation. But there's a blithe gentleman who straightens out such office tangles. He's—

ART METAL'S
"MR. EXPEDITER, O. D."

"Doctor of Offices," they call him, for his healing mission is to bring order

out of confusion. Of course, he's somewhat handicapped today by lack of equipment that isn't being made in wartime. But, even so, he has many a sharp idea to make war-snarled offices more efficient.

Call him in! His services are free. Ask him for suggestions—and also for a copy of his helpful book, "Manual of Desk Drawer Layout." Just call your local Art Metal branch or dealer, or write Art Metal Construction Co., Jamestown, N. Y.

Makers of

ART METAL STEEL OFFICE EQUIPMENT

*WABASH FILING SUPPLIES

#a subsidiary company

BALTIMORE
BOSTON
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DETROIT

POSTINDEX VISIBLE RECORDS

HARTFORD
LOS ANGELES
NEW YORK

PHILADELPHIA
PITTSBURGH
WASHINGTON



SYSTEMATIZED EQUIPMENT AND RECORDS FOR BUSINESS



A plunger-type snubber adds safety to the comfort of Monroe Auto Equipment's suspension seat on a tractor

difficulty of repairs in shops not equipped to service them. Another difficulty would be that since freight cars are used interchangeably by the railroads, the roads that installed shock absorbers would not get full use of their investment in better riding qualities.

● **How Device Works**—The McIntyres hydraulic shock absorber fits into the space occupied normally by one of the coil springs in the spring cluster on a car truck. Consisting of a hydraulic cylinder, piston, and pressure chamber built inside a coil spring, it provides hydraulic resistance to sudden compression of all the springs, its own spring returning the device to its original position after every controlled jolt, and at the same time carrying part of the load imposed by the weight of the car.

Operation of the central hydraulic unit is determined by a series of spring steel disks used in conjunction with a metered orifice. The control can be varied to meet any required conditions by using the proper combination of orifices, disks, and pressure relief.

● **New Stabilizer**—The McIntyres are also working, at the request of the Reynolds Metals Co., on a new stabilizer to compensate for the lightness of aluminum cars. This is on the same principle as the sway bars produced for the Milwaukee Road—resistance to sway by use of a torsion bar.

The McIntyres resemble the Fisher brothers of automotive fame in some respects. They work together harmoniously and are inseparable in private life as well as in business. They own an 1,800-acre marsh in the Lake St. Clair

*Now it can
be told!*



Meet One of the Allies' Secret Weapons

THE CHEVROLET-BUILT ARMORED CAR

Instrument of Victory Extraordinary

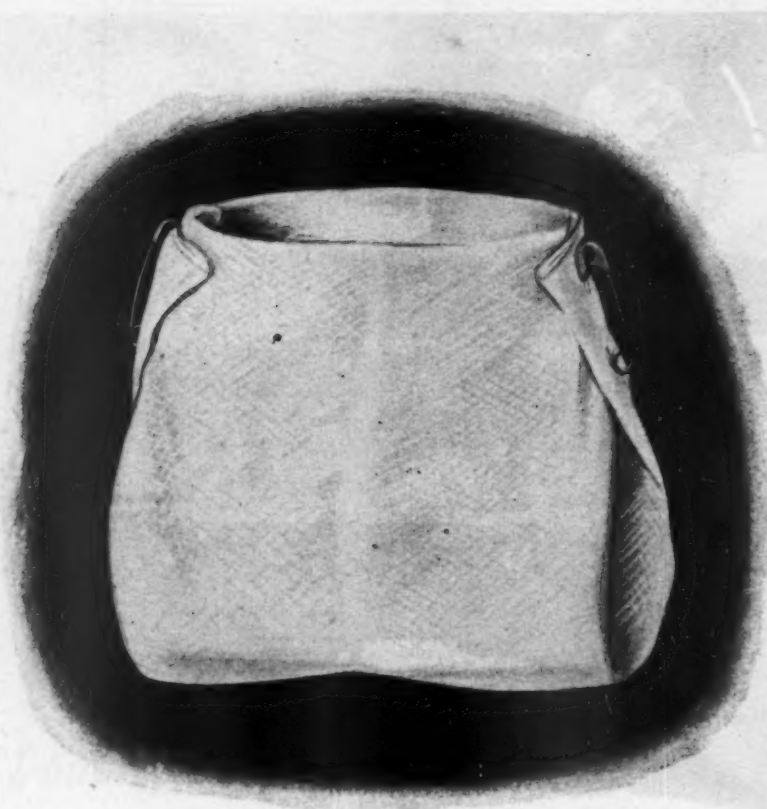
This new armored car is unique among wheeled vehicles of this war . . . a fourteen-ton roving weapon—with the speed of a passenger car, the firepower of a tank and the armor of a mobile fortress.

★ ★ ★ ★
BUY WAR BONDS
AND KEEP THEM
★ ★ ★ ★



A trainload of Chevrolet-built armored cars bound for Europe. The British call them "Staghounds" because they're fast and maneuverable, and their "jettison" gas tanks give them a 500-mile range without refueling.

CHEVROLET DIVISION OF GENERAL MOTORS



How to keep steel young

Keeping steel "young" was once a problem of the manufacturers of your automobile.

The sweeping streamlined fenders on your car were drawn from sheets of cold-rolled steel. These sheets had to be used soon after they were temper-rolled at the mill. If left in a warehouse several weeks, they aged and couldn't be drawn satisfactorily into fenders.

Technically known as "stretcher-strains," this fault could be avoided only by retempering, which delayed production and cost plenty.

Engineers in the Armco Research Laboratories set about to develop a non-aging steel. After months of work with steel analyses and methods of processing, they created ARMCO Stabilized Steel — a sheet that may be stored over a long period without losing its drawing qualities. Its adaptability to many products makes Stabilized Steel a highly practical

drawing steel. For some products requiring extreme drawing, it is the only sheet that has proved consistently successful — and economical.

SPECIALISTS IN SHEET STEEL

Armco's experience of more than 40 years in *special purpose* steels may be valuable to your company in selecting the grades of steel best suited to your post-war products. And our studies of markets and distribution channels may be of assistance to your sales-organization. Why not consult with us about your requirements? The American Rolling Mill Company, 3411 Curtis Street, Middletown, Ohio.



**Special
purpose
sheet
steels**

for TOMORROW'S PRODUCTS

HELP FINISH THE FIGHT — WITH WAR BONDS

area, where they act as hosts to leading figures in the automobile and railway industries during the fall duck hunting season.

Their main plant in Monroe and three smaller units in nearby Temperance, Petersburg, and Frenchtown, Mich., are 100% unionized. The company's war production (it has five awards) hasn't been hampered by strikes.

SUGGESTIONS HELP

How management can benefit by the know-how of its employees is shown by results achieved in 36 shipyards. In two years, shipyards have used more than 2,400 suggestions received from workers. Of these, the Maritime Commission found 90% practical for shipyards.

The suggestions resulted in a total saving of \$25,000,000 in man-hours and vital materials. Total cost of the suggestion program was \$106,104—for war bonds and other awards, and for the expense of providing equipment necessary to put some of the suggestions into use.

Typical suggestions: a device for locating accidental grounds on electrical lines or equipment; a jig to facilitate drilling of holes for installation of pipe holes; use of a special burning machine and a rivet gun clamp in installation of gunwale bars; an attachment for spot welding guns that tack-welds cable hangers; a safety latch for large tackle blocks to prevent loads from slipping off hooks; and an automatic switch to give intermittent horn blasts as a warning when trucks are operating in reverse.

FURS FOR FABRICS

Textiles based on the fur hairs, not the pelts, of mink and muskrat made their first public appearance last week in New York where Bonwit Teller displayed them in three luxury numbers of its fall dress line. Yarns for the fabrics, which are not unlike cashmere in soft texture and appearance, are spun out of a blend containing 20% mink and muskrat, 10% wool, and 70% rayon. Likewise displayed was a sweater that is knitted out of a yarn that is made up of 25% silver fox, 25% wool, and 50% rayon.

Production of both yarns, which are being spun by Unique Fibers, Inc., under the trademark, "Natura," is limited. Thus far the only fabrics utilizing them have been furnished by the converting firm of Traub, Lyons, Oppenheim, Inc., and made into dresses by David Goodstein, Inc. Distribution of the latter will be confined to one store to a major city.

On its way... from U.S.A.



Official U.S. Coast Guard Photograph

FIGHTING EQUIPMENT and materiel for our men and our Allies are constantly on their way — from U.S.A. In every corner of the globe our enemies are faced with the potency of American production.

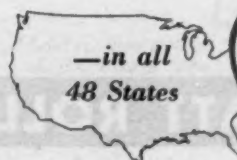
This miraculous, mass production comes from the millions of skilled workers in thousands of war plants all over the U.S. In almost every instance these men and their machines depend upon one vital ingredient — oil. *Fine lubricants,*

cutting oils and coolants — to insure high speed precision, economical and efficient operation.

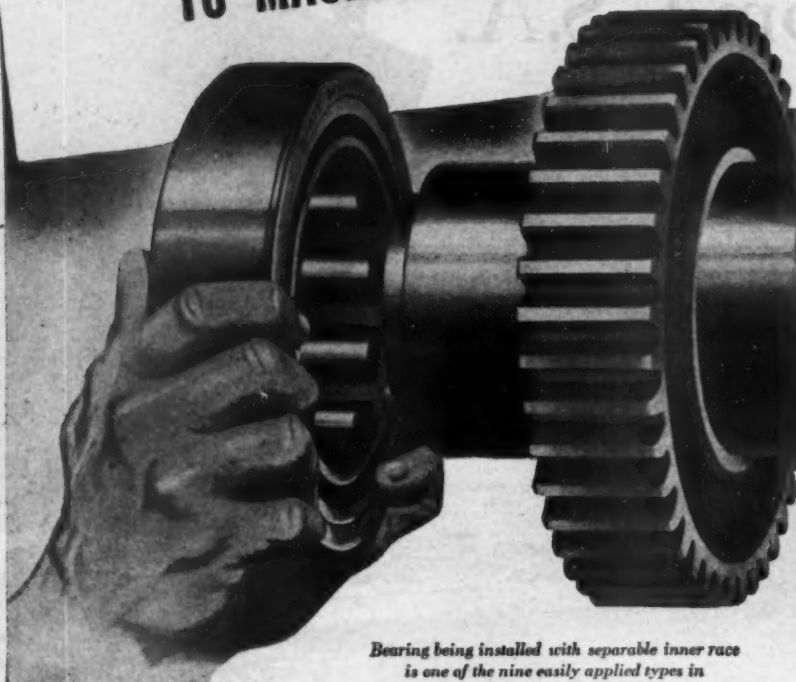
Wherever these war plants are located, Texaco provides quick, convenient sources of supply — through its *more than 2300 wholesale supply points.*

And — from the same sources — skilled Texaco engineers are available — to assist in securing the unfailing, efficient and economical performance of Texaco quality petroleum products.

THE TEXAS COMPANY



HYATT BRINGS SIMPLICITY TO MACHINE DESIGN



Bearing being installed with separable inner race is one of the nine easily applied types in the Hyatt Hy-Load series.

Mass production of machines has called for greater simplicity of machine design for advantageous handling on assembly lines. Hyatt Hy-Load Bearings opened up a new vista to machine designers... No Shims... No Nuts... No Lock Washers... No Threading of the Shaft. These and other improvements of Hyatt Roller Bearings have had much to do with permitting faster machine production with greater operating efficiency.

Consultation with Hyatt Engineers on bearing problems makes it easy for users to be sure that the bearing selected is the right one and the application is technically correct.

Hyatt Bearings Division, General Motors Corporation, Harrison, New Jersey.

HYATT ROLLER BEARINGS

NEW PRODUCTS

Aircraft Fire Extinguisher

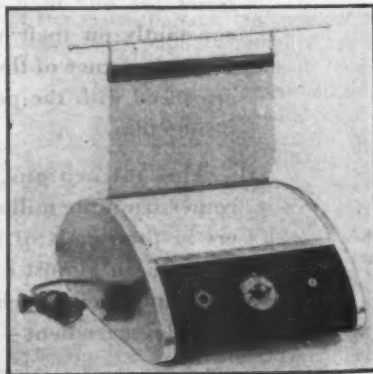
Newest extinguisher for fires in aircraft engine nacelles and their accessory compartments is the "Broamite System," developed by the American-LaFrance-Foamite Corp., Elmira, N. Y., to meet government requirements for civilian and military aviation. Extinguishing agent is methyl bromide, a chemical that is a gas at ordinary room temperatures and higher, a clear liquid at 40F and below (or under pressure at higher temperatures), and a frozen solid at -135F.

Renewable stainless steel cylinders of the agent are installed within the wings of a plane. When fire breaks out in a nacelle, the pilot or copilot presses the appropriate button on an electrical control board to actuate a solenoid valve and release the chemical in gaseous form through piping and suitable nozzles. Advantages of the system include: (1) ability to function at all altitudes and all temperatures likely to be encountered by aircraft; (2) weight savings of 25% to 50% in comparison with previous systems.

Although methyl bromide is considered toxic by most medical men, aircraft engineers believe that any danger to flying personnel is minimized by the design of the distribution equipment. The chemical will not be used to fight fires in compartments for personnel.

Electro-Copyist

Few offices are so small that they can't find room for the new Hunter Electro-Copyist Machine Model 50



with over-all dimensions of 14½x24½x8½ in. and a capacity of 12x18 in., large enough for copying two letter-sized documents at a time. The business machine is built by Hunter Electro-Copyist, Inc., 107 E. Fayette St., Syracuse 2,

N. Y., with a walnut-stained plywood case finished in lacquer and trimmed with bright chromium.

Matter to be copied is laid in contact with photographic paper over a curved, light-diffusing plastic screen. It is held under pressure by a flexible Fabrikoid cover equipped with tension springs and a metal rod that is snapped into hooks on the front of the machine. Period of exposure is controlled by a Rhodes mechanical timer built into a control panel. Light for exposure is supplied by four 60-w. lamps and six 40-w. lamps controlled by toggle switch.

Bearing Cleaner

The new L & R Precision Ball Bearing Cleaning Machine Model 100, built by the L & R Mfg. Co., 577 Elm St., Arlington, N. J., is already getting a workout in the Washington Navy Yard and at naval substations. It provides two separate and successive opera-

THINGS TO COME

Quality criteria and sales slogans of the pure-gum-rubber, 100%-virgin-wool type will require revision in the immediate and postwar future. Successful wartime marriages of various materials such as the treating of natural wool fibers with synthetic resins and the blending of synthetic rubbers with natural plastics are beginning to produce progeny so sturdy and so numerous that emphasis upon purebred materials is already lessening.

Rubber manufacturers not only will blend synthetic rubber with natural or synthetic plastics to solve various problems of production and control, but will bring to market rubber footwear, tires, gaskets, and mechanical rubber goods generally with new standards of resistance to wear, snagging, oil, grease, and other enemies of pure gum rubber.

Textile mills not only will impregnate wool fibers with synthetic resins to bring shrinkage and wrinkling to new lows, but will combine them with synthetic fibers, vegetable fibers such as milkweed and ramie, or the animal hairs of rabbit, dog, or even mink to weave new "alloyed" fabrics of almost any desired characteristic. Ability to keep cold out and warmth in, resistance to moisture, or just plain luxury will almost surely go beyond the reach of 100% virgin wool.



Peas

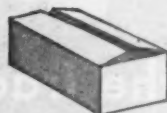
Give You the "General" Idea



GENERAL CLEATED CORRUGATED CONTAINER

For the shipment of refrigerators, washing machines, radios, stoves, furniture, and similar products. Cleated construction provides rigid support and ample protection. Panels provide space for advertising message. Shipped knocked down, they're easy to store and save valuable space. Simple to assemble for shipment.

NEATLY nested within their protective pods... and how well they illustrate our "Part of the Product" story—the container and the product, perfectly paired, are coming off nature's production line together.



General Corrugated Box



General All-Bound Box

And so, your product and the container can also come off the production line together. It's GENERAL's "Part of the Product" Plan. It eliminates wasteful handling; saves space; reduces costly man-hours and speeds production.

GENERAL Engineered Shipping Containers are a far cry from just boxes or crates. They are designed and engineered for YOUR PRODUCTS. Minor changes in product design, suggested by GENERAL Engineers, have frequently meant better, more compact containers—substantial savings... a net annual saving of FORTY-SEVEN THOUSAND DOLLARS to one manufacturer.

GENERAL Engineers are experienced in designing containers for practically every type of product. Let us help solve your present and postwar packing problems. Learn of GENERAL's "Part of the Product" Plan. Write today for complete information.



Send for your copy of the new issue of "The General Box."

ENGINEERED SHIPPING CONTAINERS

General BOX COMPANY

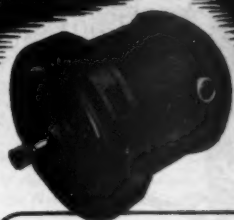
GENERAL OFFICES: 502 N. Dearborn St., Chicago, Ill.

DISTRICT OFFICES AND PLANTS: Brooklyn, Cincinnati, Detroit, East St. Louis, Kansas City, Louisville, Milwaukee, New Orleans, Sheboygan, Winchendon.

Continental Box Company, Inc., Houston, Dallas.

When You Discuss...

the fractional H.P. **MOTOR**
for that **NEW**
PRODUCT...



Here are four points that will help you obtain the quality of motor performance so essential for successful product operation. Make sure—

1. That you consider the motor in the early stages of product development.
2. That the motor is specially designed for your particular application.
3. That it will be rigidly tested under actual operating conditions.
4. That the motor manufacturer will maintain the high standards of workmanship represented in the sample submitted for testing.

Our thirty years' experience covering all types of fractional horsepower motors is available to your engineering department.

THE LAMB ELECTRIC COMPANY • KENT, OHIO

THOROUGH ENGINEERING is the basic factor behind the successful operation of this high pressure grease gun motor and many other special application motors we have designed for all types of equipment.

Lamb Electric
Black & Decker Electric
FORMERLY **SPECIAL APPLICATION FRACTIONAL HORSEPOWER MOTORS**

tions: (1) a precleaning whirl of several bearings at a time in a motorized rotary basket submerged in a container of solvent (left); (2) a pressurized spraying of continuously filtered solvent in a glass-lidded tank (right) where each



bearing is rotated individually back and forth on a coned spindle. Filtered compressed air removes excess solvent while the bearing remains on the spindle.

Since the spindle is a cone, it will accommodate a variety of bearing sizes up to 2-in. outside diameter. Minor changes in the machine permit it to clean small gears and assemblies with or without ball bearings. Because the total weight of the caster-mounted outfit is under 200 lb., it can be taken to any point in a plant or repair shop.

Vitrified Diamond Wheel

In 1934 the Norton Co., Worcester, Mass., brought out the resinoid bonded diamond wheel and in 1939 the metal bonded diamond wheel. Now it is bringing out a Vitrified Bonded Diamond Wheel to supplement the others in the grinding of hard carbide tools, glass, porcelain, quartz crystals, and similar materials.

Outstanding feature of the new wheel, and also of a similar new Vitrified Bonded Diamond Hand Hone, is said to be the "combination of a fast cutting action with extremely long life. In one plant, for example, a Norton vitrified bonded chip breaker wheel ground 2,404 tools with $\frac{1}{4}$ -in. wear, compared to 1,350 tools with $\frac{1}{4}$ -in. wear for a resinoid bonded wheel." Chip breaker wheels in 4-in. and 6-in. diameters are available now. Early next year other sizes and types including the popular 6x $\frac{1}{2}$ -in. cup wheel will be in large-scale production.



The Mark of Quality

Non-ferrous ingot of uniform analysis supplied by the plants of Michigan Smelting always bears the mark of quality.

Your specifications are adhered to absolutely. Production and laboratory controls of the latest, most modern

type, assure highest possible accuracy.

More than fifty years of experience in the refining of non-ferrous scrap is your guarantee that you will get exactly what you specify when you do business with Michigan Smelting.



★
**BUY
WAR
BONDS**
★

MICHIGAN SMELTING & REFINING

Division of BOHN ALUMINUM & BRASS CORPORATION, DETROIT 26, MICH.

General Offices—Lafayette Bldg.

NON-FERROUS SCRAP METAL REFINERS FOR 50 YEARS

Insurance Split

Life and fire companies don't agree on action needed to avert U. S. control under anti-trust legislation.

There is wide cleavage of opinion between life and fire insurance company executives over how the industry should meet the crisis brought about by the recent Supreme Court decision (BW—Jun.10'44,p18) that insurance isn't immune from the antitrust laws.

• **Two Proposals**—The stock fire insurance companies seem to be lining up in

favor of the Bailey-Van Nuys bill which would entirely remove the insurance industry—both fire and life—from possible regulation by antitrust laws. This measure already has passed the House.

Life insurance executives, on the other hand, prefer new legislation suggested by the National Assn. of Insurance Commissioners—a statute exempting insurance from regulation by certain provisions of the Federal Trade Commission and the Robinson-Patman acts, giving precedence to state legislation, and setting aside Sherman or Clayton act provisions whenever at least one state has legislative jurisdiction over the company and practices involved.

• **Amendment Opposed**—Recent suggestions that the industry propose a con-

stitutional amendment which would guarantee permanent removal of the threat of federal regulation met with opposition from both fire and life executives. Fire insurance groups say this would lead to charges that the industry is seeking special privilege legislation.

The life companies go even further and say that there is no reason why the insurance industry should expect special treatment not accorded other businesses.

One reason why life companies show little fear about federal regulation (even though they wouldn't like it) is the belief that the Temporary National Economic Committee insurance investigation disclosed no portion of their activity or practices that might be affected by the federal antitrust laws.

• **Uncertain of Stand**—Fire and casualty companies find themselves in a somewhat different position, being by



NEW ONES FROM OLD

Once cut back, tank production is back again on the high priority list chiefly because of losses in France and because open terrain of new battlefields is a favorable medium for mobile armor. Meshed with new production is the "remanufacturing" of 3,000

M-4 medium, and 550 M-5 light tanks—damaged in battle or worn out in training—for combat duty. Rebuilding of training tanks (above) at Federal Machine & Welder Co.'s plant at Warren, Ohio, is typical of the program. Units are torn down, and such component parts as radios and engines are sent back to original makers

for overhauling. Army arsenals rebuild the cannon. Then on Federal's production line (below, left) turrets are refitted, parts armor-plated, and battle modifications installed before the tanks are shipped (below, right) to the fighting fronts. And the Army estimates that the rebuilt tanks cost about 60% less than new ones.



WASTED MOVES *Waste Men*



GLEAM in your opponent's eye . . . a lightning series of jumps . . . and your man is swept from the board. Wasted moves are the penalty for wasted moves.

Perhaps you, too, are learning about wasted moves the *hard way—from the cost sheets of your plant.* How much greater the penalty there . . . the cost in time and the cost in men!

Naturally, modern production demands a lot of moving. You can't get away from it. But you *can* avoid the repetitive loading and unloading which run costs sky high.

With Barrett Lift-trucks and Skids, your material need be stacked just once . . . then it's done. When it moves, it moves as *unit loads*, not in dribblets.

Let a Barrett engineer show you how to stop wasted moves. Learn from him how one man with Barrett Lift-trucks and Skids can outwork 3 or 4 without them.

BARRETT-CRAVENS COMPANY
3260 West 30th St. • Chicago 23, Illinois

Representatives in All Principal Cities

Canadian Licensees: S. A. Armstrong, Ltd. • Toronto, Canada

Don't miss the Barrett Junior Catalog. A free copy is yours for the asking.

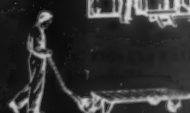
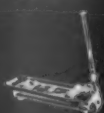


➔ BARRETT

ONE MAN DOES MORE THAN 3 OR 4 . . . WITH A BARRETT PORTABLE ELEVATOR



Barrett
Handling
Equipment



IT'S GOOD BUSINESS

A mind free from worry is free to succeed.

A man well-insured escapes anxiety as to his family's future if its bread-winner should be taken.

IT'S GOOD BUSINESS TO BE
ADEQUATELY INSURED.



The PRUDENTIAL
INSURANCE COMPANY OF AMERICA
A mutual life insurance company
HOME OFFICE NEWARK, NEW JERSEY



PLAN NOW for lower postwar costs

You've watched your costs mount since Pearl Harbor. You know, too, that something must be done about it, if you want to meet postwar competition on favorable terms.

Improved manufacturing equipment is one answer. And when it comes to packaging, we know from past experience that our wrapping machines can help you make important savings right from the start—and improve the sales appeal of your package, too. In many cases they pay for themselves in one year.

We'll be glad to study your methods and make recommendations for your present or postwar needs

PACKAGE MACHINERY COMPANY • Springfield 7, Mass.

NEW YORK

CHICAGO

CLEVELAND

LOS ANGELES

TORONTO

PACKAGE MACHINERY COMPANY

Over a Quarter Billion Packages per day are wrapped on our Machines



CHAOTIC LIBERTY

Stacked cans of Hormel's ubiquitous pork product—Spam—are included among U. S. lend-lease goods now going into liberated Greece to help overcome that country's inflation by transforming sharp scarcity of food into a degree of abundance. The economic phenomenon of inflation is no stranger to Greece but few visitations have been so severe as the present one which—like China's (BW—Nov. 44, p66)—has all but wrecked the nation's monetary system.

means certain, now that they are subject to antitrust laws, just how the Dept. of Justice will regard a number of (up to now) most common practices in their business—existing commission scales for insurance brokers and agents, for instance.

The industry is having other troubles, too; life lately hasn't been a bed of roses for the mutual fire companies judging from the remarks of speakers at their recently completed Chicago convention. There have been forced rate reductions of \$24,000,000 in eight states, even though 1944 fire losses have been running at a high rate, and some companies now report that their combined losses and expenses are running around \$1.05 for each premium dollar they are collecting. Also, the companies are facing threats of more stringent legislation in 44 states.

Attempts are now being made to work out some sort of a compromise on the matter of federal government regulation. Progress is reported, but fire

insurance executives are still said to be convinced that salvation of the industry lies in the enactment of the Bailey-Van Nuys bill or in some other similar measure.

ANOTHER PIPELINE?

Pipelines to tap the rich natural gas fields of the Southwest are still making news. Last week the 1,265-mi. line from Corpus Christi, Tex., to Cornwall, Va., was scheduled for final tests (BW—Oct. 21 '44, p. 49), and a 30-in. line stretching more than 1,000 mi. from the Texas Panhandle to the Pacific coast was proposed (BW—Oct. 21 '44, p. 49).

Now a \$70,000,000 pipeline from the Hugoton fields of Oklahoma and Kansas to various cities in Iowa, Illinois, Wisconsin, and Michigan is projected by the United Light & Power Co. now in process of liquidation under the utility holding company law.

Construction, company officials stress, is possible only if a U. L. & P. proposal for liquidation of its American Light & Traction subsidiary is approved by the Securities & Exchange Commission and local authorities. American Light & Traction, an intermediate holding company in the U. L. & P. system, proposes to make its operating subsidiaries in Detroit, Milwaukee, and Madison independent. These three companies would own and operate the projected pipeline.

Divorce of the three companies by U. L. & T. will require sale of several subsidiaries of the units, as well as considerable recapitalization and re-arranging financing.

The company pointed out that there is no natural gas in Wisconsin now and that there is not enough of it in Michigan to take care of the area's expanding needs.

PARTNER FOR JOHNSON

Howard Johnson, whose name was made famous by his roadside eating establishments in prewar days, has acquired a new partner to help finance his postwar ventures.

Johnson has announced that Hiram Tucker Co., which operates Poland Springs House in Maine and which sells Poland Springs beverages, has purchased one-fourth of the 2,500 outstanding shares of Howard Johnson Co. common stock, as well as a new \$500,000 preferred stock issue.

Just how much new funds Johnson has acquired is not known to the public since his company has no securities publicly outstanding, but it was announced that half the cash for the preferred will be used to retire obligations,

FACT or FICTION?

A 47-SECOND TEST ON SANTA'S HELPER



Q. This friendly little black bear will deliver mountains of Christmas gifts this year, as one of Santa's best helpers. Fact or fiction?

A. Fact. He is Mr. Yellowstone Cub, mascot on all Northern Pacific trains. Santa depends on the Cub because he's "a bear for work"!



Q. Mr. Cub brings you the brighter, glossier, hollier for Christmas wreaths from plants nurtured in hotheouses. Fact or fiction?

A. Fiction. This finer holly grows in abundance out-of-doors, on West Coast lands served by the Northern Pacific.



Q. One of many special jobs he does for Santa is bringing lovely blonde hair for little girls' dolls. Fact or fiction?

A. Fact. Extra-wavy wool from Montana sheep, delivered by N. P. trains, makes gorgeous "hair" for bald-headed dolls.



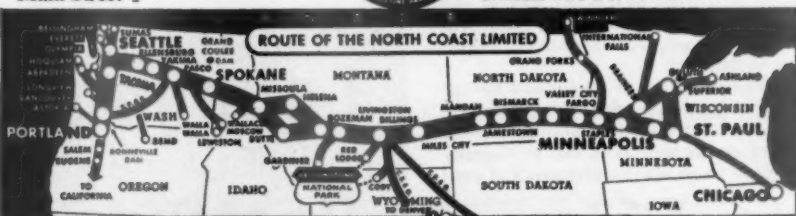
Q. To bring the food for your Christmas dinner, Mr. Cub has to do his "shopping" in forty-eight states. Fact or fiction?

A. Fiction. He can serve a magnificent Christmas feast entirely from foods grown in the seven states on "Main Street".



Q. The best Christmas gift of all for the man or woman in uniform often comes from a total stranger. Fact or fiction?

A. Fact. It's a seat on the North Coast Limited, for a homeward-bound G.I.... provided by some good civilian who doesn't travel.



NORTHERN PACIFIC
Main Street of the Northwest



Whisk Away to Tahiti AT GAS TURBINE SPEED

BY the time you're ready for that trip to Tahiti or Paris or your favorite overseas Paradise, it's likely that modern metallurgy will have cut days from your traveling time and dollars from your passage. For metallurgists—who made possible the use of the gas turbine in military planes—are at work making it practical to use this power at the maximum efficiency required to speed up fast liners.

Certain types of gas turbines are already being tested for fast cargo vessels. What's more, when the metallurgists finally perfect an alloy that can continuously withstand volcano-like temperatures—where the gas turbine performs best—the day of the really big, high altitude transport plane will begin. (Perhaps you'd prefer to travel abroad in one of these.)

Through reduction of weight and saving of fuel, the gas turbine also offers advantages as a power source for locomotives. So—on land and sea as well as in the air—speedy gas turbine travel may lie just ahead of you!

* * *

Over the relatively brief periods required for military flight, the turbo-superchargers used in warplanes already operate in considerably higher temperatures than those

which contribute to peak gas turbine efficiency. Alloy steel castings for these superchargers—which are, in effect, small gas turbines—are produced by the Lebanon Steel Foundry. Lebanon is prepared to offer full foundry cooperation in future gas turbine developments.

Lebanon foundry engineers and metallurgists are ready to discuss applications of heat resistant, corrosion resistant and structural steel castings with all users and prospective users.

LEBANON STEEL FOUNDRY, LEBANON, PA.
ORIGINAL AMERICAN LICENSEE GEORGE FISCHER (SWISS CHAMOTTE) METHOD



and the rest retained for postwar plans. Johnson once had 75 company-operated restaurants and 125 operated under franchise, but last year these had dwindled to 30 units of his own and 45 licensees (BW—Jun. 19'43, p60). Recent figures in 1942 were about half those of the previous year, but Johnson's urban restaurants, particularly in Miami, Miami Beach, Washington, Alexandria, and New York City, are reported doing fairly well. His eleven establishments on the Pennsylvania Turnpike have remained open as increased bus and motor traffic has offset the drop in civil motoring.

Johnson has augmented his shrunken income by industrial catering and by selling his line of candies through independent jobbers.

FIRE REVEALS HOARDING

Statistics on currency hoarding are hard to get, but a fragmentary cross-section could be analyzed as one of the few benefits of Cleveland's recent \$700,000 fire (BW—Oct. 28'44, p21).

One inevitable conclusion was that the Federal Deposit Insurance Corporation and the war loan campaigns have done an ineffective sales job, for one family in nine directly affected by the fire had formally asserted that in their home was "about \$1,000 and a war bond."

In the half-square-mile area devastated by the explosion of the East Ohio Gas Co.'s gas liquefying plant were 80 dwellings, something over 100 families. Twelve families have applied to the Federal Reserve Bank for the redemption of currency, on the basis of evidential ashes in a metal box. The claims total \$12,000.

This 12% of home bankers would undoubtedly be increased by the number of those whose depository was the mattress or a cigar box. But the Treasury insists on some tangible evidence, and a character investigation must support the claim.

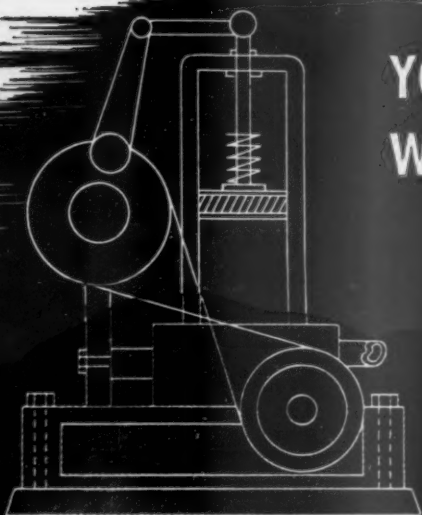
HANDLING SMALL ESTATES

Typical of banking changes is the new small estates division instituted by the Security-First National Bank, Los Angeles.

The bank began advertising last summer for estates as small as \$1,000, and there was a quick response. Thus far, the smallest estate handled has been around \$3,000, for which the bank allowed \$150; for a \$1,000 estate the bank's fee is \$70.

Processing includes filing the will for probate, gathering the assets, managing real estate, disposing of business, conversion of securities, attending to taxes, rents, and repairs, liquidating assets.

**YOU DREAM IT...
WE'LL HELP BUILD IT!**



YOU see, that's our business . . . building
things . . . all sorts of things.

Jones & Lamson is the oldest machine tool company in America and there is literally no industry (and few important products) to which Jones & Lamson engineering has not contributed, both in war and in peacetime production.

you dream it . . . we'll help build it.

We'll draw up complete production specifications. We'll engineer the tooling. We'll specify, design, and create any special machine tools needed. We'll even plan the plant and its equipment.

You dream it.

We'll help build it . . . from the ground up, if need be.

Our engineering facilities will become available to you as soon as conditions permit. Meanwhile, we solicit your inquiries.

JONES & LAMSON
MACHINE COMPANY
Springfield, Vermont, U. S. A.



Manufacturers of: Universal Turret Lathes • Fay Automatic Lathes • Automatic Double-End Milling and Centering Machines • Automatic Thread Grinders • Optical Comparators • Automatic Opening Threading Dies and Chasers.

*Born in Waukesha ---
Raised all over the world!*



HEIN-WERNER HYDRAULIC JACKS have many industrial applications

If your company is engaged in manufacturing, it will pay them to consider the many time-saving and labor-saving uses of Hein-Werner Hydraulic Jacks.

These jacks are compact, super-powerful, easy-operating, and absolutely dependable... They are great for lifting heavy loads, moving machinery, pressing bushings, gears, pinions, etc.

Made in models of 3, 5, 8, 12, 20, 30 and 50 tons capacity... For details consult nearest industrial supply distributor, or write us.

HEIN-WERNER MOTOR PARTS CORP.
Waukesha, Wisconsin

Save money time and manpower with Tal's Prestal Pipe Bender

Plumbing, heating and electrical installations and maintenance work goes faster, easier, and is less costly when a Tal's Prestal Bender is on the job. This do-all, portable machine saves valuable time, eliminates the use of fittings, and reduces welds up to 80%. It bends all iron and steel pipe and conduit from 3/8" to 3"—makes any degree bend in one easy operation without moving the pipe, without heating or filling. Does a workmanlike job—no kinks or wrinkles. No wonder thousands of these efficient machines are in successful use throughout industry, and by leading contractors. Write for bulletin.

TAL'S PRESTAL BENDER, INC.
Dept. 24 Milwaukee 2, Wisconsin



Bends
iron pipe
steel pipe
conduit on
the job

in one single
simple easy
operation

that can be sold, and holding the residue for distribution under the will after the six-month advertising period.

The bank is able to handle a large volume of such business at costs below those generally incurred by an individual executor, and is also able to save

time by expert liquidation of assets. The new department's business increased each month, but there were few estates as small as \$3,000. Average value the first month was \$38,000, the second month \$64,000. Current average is around \$45,000.

Corporate Earnings Sag Slightly

While 1944 third-quarter operating reports of many steel, food, chemical, and drug companies show the effect in varying degree of narrowing profit margins, earnings of numerous corporations are still holding up well around 1943 levels and showing fair year-to-year gains in some cases.

The nine-month over-all corporate earnings picture, as a result, still completely refutes doleful predictions concerning the severe toll that cut-backs and high tax rates would take of this year's profits. Full 1944 earn-

ings, barring unexpected war developments, likely will not fall far below 1943's levels.

Stockholders continue to receive better treatment than a year ago. Dividends on the 857 common stocks listed on the New York Stock Exchange, for example, were 7% higher through September, 170 had increased disbursements. 442 showed no change, and only 71 cut or eliminated stockholder payments.

Here is a cross-section of nine-month earnings:

	1944		1943	
	Net After Taxes	Taxes	Net After Taxes	Taxes
Air Reduction.....	\$4,271,000	\$8,719,000	\$5,265,000	\$9,836,000
American Brake Shoe.....	1,827,000	2,205,000	1,989,000	3,730,000
American Radiator.....	3,274,000	10,340,000	3,446,000	6,890,000
Beechnut Packing.....	1,820,000	4,290,000	1,989,000	3,845,000
Bethlehem Steel.....	19,788,000	75,070,000	19,417,000	93,030,000
Blumenthal (Sidney) Co.....	371,000	377,000	438,000	489,000
Bon Ami Co.....	767,000	558,000	777,000	796,000
Butler Bros.....	984,000	2,134,000	1,235,000	2,430,000
Climax Molybdenum.....	6,092,000	2,777,000	7,318,000	6,698,000
Corn Products Refining.....	5,418,000	4,652,000	5,910,000	10,572,000
Cutler-Hammer.....	1,262,000	4,022,000	1,531,000	6,642,000
Ex-Cell-O Corp.....	1,441,000	12,367,000	1,600,000	18,877,000
General Baking.....	1,203,000	2,050,000	1,241,000	1,902,000
General Cigar.....	679,000	911,000	963,000	1,335,000
General Electric.....	31,706,000	128,500,000	31,434,000	182,500,000
General Foods.....	7,840,000	13,010,000	8,892,000	16,503,000
General Motors.....	124,997,000	202,765,000	109,519,000	171,273,000
M. A. Hanna Co.....	3,079,000	1,482,000	2,999,000	1,859,000
Hercules Powder.....	3,528,000	8,622,000	4,223,000	14,121,000
Howe Sound Co.....	573,000	246,000	1,072,000	427,000
Industrial Rayon.....	1,397,000	3,016,000	1,196,000	2,594,000
Inland Steel.....	7,671,000	14,002,000	8,738,000	15,470,000
Int'l Business Machines.....	7,574,000	20,170,000	7,525,000	19,380,000
Island Creek Coal.....	1,492,000	3,150,000	1,421,000	3,275,000
Johns-Manville.....	3,911,000	6,019,000	3,196,000	7,333,000
Lehigh Valley Coal.....	1,398,000	616,000	980,000	152,000
Lone Star Cement.....	1,543,000	1,737,000	2,009,000	3,212,000
Long-Bell Lumber.....	1,794,000	2,733,000	1,421,000	2,186,000
Matheson Alkali.....	829,000	805,000	1,016,000	1,330,000
Mullins Mfg.....	904,000	2,275,000	429,000	1,100,000
National Biscuit.....	7,638,000	13,028,000	7,683,000	10,246,000
National Distillers.....	6,919,000	18,177,000	5,955,000	9,903,000
Pacific Mills.....	1,318,000	8,315,000	1,336,000	8,044,000
Parmelee Transportation.....	1,142,000	2,413,000	1,160,000	1,774,000
Phillips Petroleum.....	14,997,000	8,426,000	10,939,000	9,480,000
Republic Steel.....	6,470,000	22,750,000	8,457,000	38,050,000
Shell Union Oil.....	22,538,000	32,069,000	18,209,000	25,550,000
Standard Brands.....	6,329,000	9,580,000	6,860,000	9,031,000
Superheater Co.....	1,259,000	3,081,000	1,284,000	2,390,000
Texas Gulf Sulphur.....	7,925,000	5,434,000	5,942,000	4,939,000
Tubize Rayon.....	850,000	2,566,000	983,000	2,304,000
Underwood Elliott Fisher.....	1,531,000	3,611,000	1,386,000	3,972,000
Union Bag & Paper.....	1,251,000	3,611,000	670,000	829,000
Union Carbide & Carbon.....	27,432,000	71,009,000	28,832,000	66,660,000
United Cigar-Whelan Stores.....	758,000	846,000	694,000	687,000
United Drug, Inc.....	1,479,000	5,849,000	1,864,000	5,247,000
U. S. Steel.....	49,307,000	74,000,000	50,753,000	79,500,000
Westinghouse Air Brake.....	4,138,000	14,799,000	3,267,000	7,948,000
William Wrigley, Jr.....	4,718,000	3,212,000	5,090,000	5,715,000
Yale & Towne Mfg.....	865,000	3,450,000	1,001,000	3,003,000

mer goods—ready-made dresses, canned foods, soap, cosmetics, shoes, kitchenware, automobiles, telephones, and modern houses.

But, by 1935, Moscow realized that Russia could not afford to enjoy such luxuries in the face of growing political tension in Europe. So, when the third Five-Year Plan was launched, there was no fanfare. Russians continued to wear their old clothes, to eat whatever simple food was available, and began grimly to build the industries which ultimately produced enough tanks, planes, and guns to turn the tide of battle at Stalingrad. It is characteristic of Moscow that even before the battles with the Nazis are over, Russia is planning to pick up its Five-Year Plans where the war had interrupted them.

Invitations to participate in a permanent exhibition in Moscow already have been mailed to American manufacturers. Soviet officials want their public to see samples of our new machine tools, aluminum and alloy products, oil-drilling machinery, bulldozers, and prefabricated kitchen equipment. Russia already is projecting specific plans to resume the job (1) of making the country an industrial giant comparable to the United States, and (2) of making life more pleasant for a long-suffering people.

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What is the measure of this postwar market in the Soviet Union?

Some estimates place the total quantity of goods which Russia might take from the United States during the first two or three years after the war as high as \$5,000,000,000 a year. Then, as Russian industry is restored, imports from the United States might taper off perhaps to \$2,000,000,000 a year.

Actually, these estimates are far too optimistic, unless the United States is prepared (1) to help Russia pay by paying vast quantities of Soviet raw materials, and (2) to provide large credits to handle the purchases during the first few years of rehabilitation.

The relations of American exporters with Russia during the period covered by the three Five-Year Plans have been eminently satisfactory. Moscow has met all of its obligations punctually; fifteen years of experience have reduced contract forms to the point where they cause a minimum of misunderstanding between the Russian representatives and the American producers; individual American companies with extensive prewar experience in handling Soviet business already are offering large credits on initial postwar orders though these may yet be replaced by large government credits at lower interest rates.

But the volume of trade with Russia after the war hinges upon Moscow's ability to pay. Never before the war did the United States buy more than \$30,000,000 of goods a year from Russia. As late as 1938, Soviet exports to this country amounted to as little as \$23,500,000, far less than enough to pay even the service charges on the credits which would have to be extended in connection with exports of several billion dollars a year. Only South Africa produces more new gold each year than the Soviet Union. But the United States does not want gold; more of it would only complicate the problem of controlling prices here.

If the United States, however, is to achieve, after the war, the high level of national income which is necessary (1) to keep our expanded factories in operation, and (2) to service the national debt, it might absorb from \$90,000,000 to \$100,000,000 a year of the kind of goods bought from Russia before the war—furs, timber,

manganese, chromium, and handicrafts. But unless this volume of purchases from Russia can be boosted by another \$50,000,000 annually, credits of the size necessary to fill immediate Russian needs could not be serviced without large supplemental importations of undesirable gold.

The nub of the situation is that Russia offers an extraordinary potential market particularly for our heavy industries which have grown so enormously during the war. But if this sales outlet is to materialize, then the United States must find a way to import from Russia (or from Russia's debtors if any) from ten to twenty times as much as we did before the war. Instead of merely going after the export business, American businessmen must explore with the Russians the possibility of buying bigger supplies of Soviet products.

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But more than the Russian market itself hinges upon sound cooperative action by the world's two leading military-industrial nations.

If trade between them is held to a minimum and if relations are strained, the flow of trade all over the world will be adversely affected.

Europe, long this country's biggest export outlet, certainly will never take the bold steps necessary to reconstitute its economy on a peacetime basis if Russia and the United States drift into a race for military supremacy.

The Balkan states, which may be industrialized by Moscow in order to reduce their dependence on Germany, and the Arab world with its huge need for transportation, irrigation, and sanitation, will not dare accept American credits or make big contracts with American engineers if Moscow frowns on the deals.

And refusal of Russia and the United States to work cooperatively to maintain the peace would kill, in their present embryonic stage, all dreams of a vast industrialization program for China.

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The opportunity to make a major change in the trade map of the world and at the same time to achieve a sharp rise in our own standard of living is before us.

It demands of American business leaders the kind of boldness and imagination that their predecessors displayed when they pioneered this country's unknown West.

It demands realistic action by men who know that the solution to this country's real foreign trade problem under today's conditions lies in boosting imports not exports alone . . . men who are not afraid of being paid for what they sell.

It calls for leaders who will approach Moscow and other major customers at once with constructive plans that would parallel in scope those on which this country is waging war . . . leaders who will make it clear at the outset that this bid for cooperative action emphatically demands that each nation shall have complete freedom to determine its internal political and economic organization without interference from the other.

It is this caliber of leadership upon which our future hinges.

James H. McGraw, Jr.

President McGraw-Hill Publishing Company, Inc.

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This booklet contains a detailed plan for the revolution in machining methods that will speed up production and improve the saleability of your postwar products.



PORTER-CABLE'S Wet-Belt GRINDER

America's war industry has proved that this simple, abrasive machining method will be one of the vital factors in superior, cost-cutting postwar production. Shop men everywhere have discovered facts which every management executive also should know about this new kind of machine tool—

- 5 to 25 times faster than many common methods.
- Removes metal and gives surface final finish at one operation.
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- Most exact operation require only a simple, inexpensive jig — with extraordinary savings in set-up and lock-up time.

WRITE TODAY for a copy of "A New Precision Machining Method"—the booklet that describes in detail the amazing economies and new efficiency which Porter-Cable Wet-Belt Machining will achieve in your postwar production.

PORTER-CABLE MACHINE CO.
2030-11 N. Salina St., Syracuse 8, N. Y.

MARKETING

Battle of Brands

Marshall Field joins buying group, and Macy-May tie-up takes in six more stores, indicating big private-brand campaign.

War interrupted the battle of the brands, but it made no major change in the way the battle is going. Developments now indicate that backers of private brands are planning a bigger offensive than ever against nationally known labels, as soon as civilian production gets under way. They plan not only on recouping wartime losses but on breaking new sales ground.

• **Project Expanded**—The most aggressive of all private-brand operators, R. H.

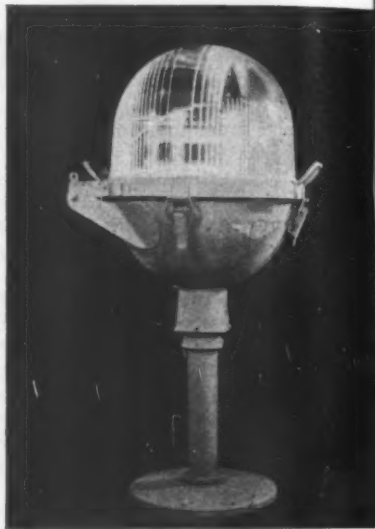
Macy & Co., Inc., of New York City world's largest department store, joins forces two months ago with the Marshall Field Department Stores Co. in forming Affiliated Retailers, Inc., for joint buying and promotion (BW—Aug. 26 '44, p93).

Last week six more of the nation's leading department stores became associated with Affiliated Retailers—a development which the trade feels inevitable means private branding of unprecedented proportions. The newcomers to the organization are Carson, Pirie, Scott & Co., Chicago; Kaufmann Department Store, Inc., Pittsburgh; H. & S. Pogue Co., Cincinnati; Ed. Schuster & Co., Inc., Milwaukee; Sibley, Lindsay & Currin, Rochester; and Younker Bros. Co., Des Moines.

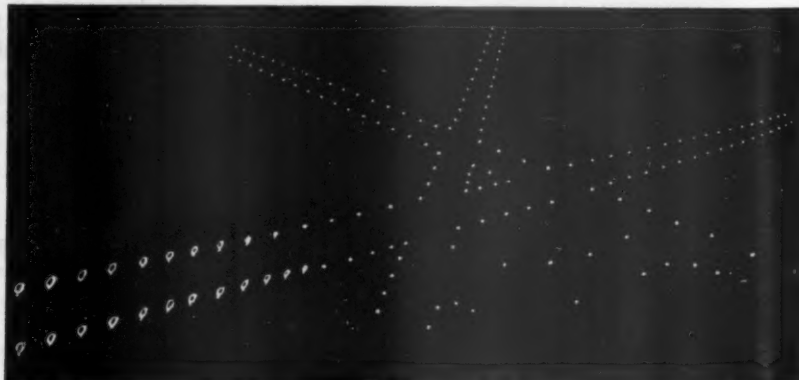
• **New Policy**—And a week earlier Marshall Field & Co. of Chicago reversed its traditional merchandising policy by

PILOTS' GUIDE

Designed for outlining airport runways during fog and other periods of low visibility, a newly developed beam-controlled light (right) is described as the "missing link" in air navigational aids. Invented by J. P. Bartow, a pilot, the light consists of a combination of Fresnel lens and prismatic outer globe which concentrate intense light beams, and at the same time minimize atmospheric refraction halos or "glare barrages" which confuse pilots. Provided with color filters, the lamps—placed 200 ft. apart—provide flyers not only with a directional color key but also with a measurable perspective. The manufacturer—Line Material Co.—reports that its present daily output of 100 units is being pro-



duced solely for military use, but that it is laying the groundwork now for development of postwar sales.



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MEDICINE BY MACHINE

Designed for mass control of athlete's foot around swimming pools and shower rooms is the new dispenser which envelopes its user's feet with a fog of prophylactic solution. Consisting of a round 3½-gal. tank equipped with three plunger pumps, the machine automatically delivers a treatment when a person stands on its grill top for a moment. One filling treats about 20,000 feet. Peda-Spray Co., Fairfield, Iowa, makes both the machine and its fungus-combating solution which has been accepted by Navy medical authorities.

affiliating with a buying group, Associated Merchandising Corp., in order to stock major household electrical appliances under a private brand. Marshall Field has for years manufactured textiles and retailed them under its own name, but this is the store's first venture in private labeling for other goods.

During the war, producer-owned, nationally advertised brands got a breather, but it was only that. When competition for materials got tough, private-brand distributors, who are in general dependent on smaller producers with inadequate inventories, had hard sledding.

Manufacturers who have their own national brands but use their excess capacity to make goods sold under private label cut off the private branders when the squeeze came; the producer's own brand naturally came first.

• **Promotion Planned**—But with the return of normal supply conditions, private-brand distributors obviously are determined to exploit more fully than ever the cost-cutting and price-cutting economies inherent in the integration of distributive and producing functions.

As a consequence the already vague lines separating those two functions in the case of such large private branders as

Macy; Sears, Roebuck & Co.; Montgomery Ward & Co.; and other big distributors are likely to become even more blurred. More and more retailers are certain to attempt to extend their operations farther and farther back into the manufacturing field—back to the point of original raw material supplies.

• **New Consumer Line?**—When Macy with its four subsidiaries—in Atlanta, Augusta, Toledo, and Newark—and May with its seven outlets—in Akron, Los Angeles (two), St. Louis, Baltimore, Denver, and Cleveland—joined forces last summer to set up Affiliated Retailers, the trade thought it saw the private-brand handwriting on the wall.

When the six additional stores joined up last week, rumors grew more definite of gigantic private-branding operations which would result in a new line of consumer goods, including such items as refrigerators, mattresses, and perhaps textiles, to be sold under the common trade name Classic. Reports have it that the line would be offered to other retailers on an exclusive basis—just one outlet in a city. The tremendous sales volume that such a combine could deliver would assure rock-bottom prices from producers who supplied the lines.

Macy characterizes all such talk as "going much too far."

• **Not New to Macy**—Such a sales program is no novelty to Macy, which has already had experience selling its private brands to other unaffiliated outlets.

In 1937, to retaliate against drug and cosmetic manufacturers who engineered the passage of state and federal fair trade laws setting minimum prices on nationally branded goods, Macy first offered its own line of Supremacy drugs and cosmetics to other dealers.

When the war made it difficult for Macy to get stocks even for itself, the program for supplying other dealers languished. It has been revived with a vengeance—not for retaliation now but for profit (BW—Feb. 26'44,p88). Orders are being booked, for delivery when circumstances permit.

Presumably this operation will be carried on hand-in-hand with the anticipated Associated Retailers' promotion of Classic wares.

• **For Lower Prices**—Marshall Field's arrangement with A.M.C. to supply private brands of refrigerators, washing machines, ironers, ranges, vacuum cleaners, and dish washers was admittedly made to obtain low competitive prices, but the store will continue to handle national brands also. Frederick & Nelson, Field-owned Seattle department store, will also participate in the arrangement.

A.M.C. has long supplied private-brand goods to its 23 member stores, but Marshall Field is the first outsider to use the organization's facilities. The

YOU CAN MAKE
DRILLING *Extra Easy*
with
Pressure Handle
on a
SKILSAW DRILL!



It's another
SKILSAW First that
saves time, money, manpower!

• Now you can drill with *extra ease* and *extra safety* in any position... head-high, overhead or on ladders... by simply attaching this Pressure Handle to your SKILSAW DRILL or any make of drill. Pressure Handle gives the operator complete control of drilling pressure at all times... makes drilling easy in awkward positions... adds extra safety... eliminates twist drill breakage... saves the time of an extra man with ropes or chains to hold the drill.

Pressure Handle fits any electric or air drill equipped with a pipe handle.

Sold Nationally Through Skilsaw Distributors for \$30

Ask your distributor today for a demonstration of Pressure Handle on your own drilling jobs.

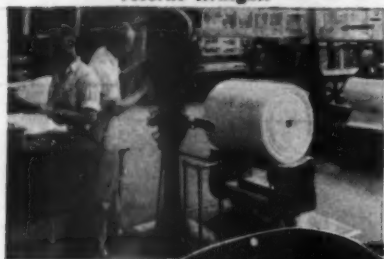
SKILSAW, INC.
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Skilsaw Tools are sold by leading distributors of hardware, automotive and industrial supplies



SKILSAW
PORTABLE ELECTRIC
TOOLS

MAKE AMERICA'S HANDS
MORE PRODUCTIVE!

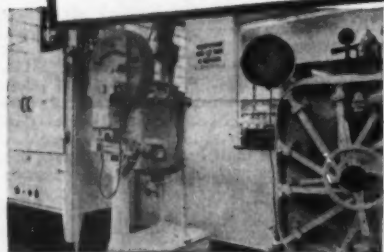
Printed weights keep textile records straight.



Printweigh prevents weight errors on conveyor lines.



STOP ERRORS with Printed weights



Chemical laboratories depend on Printweigh accuracy.



Costly errors in materials eliminated by Printweigh.



Printweigh keeps stock room records RIGHT!



Prints BIG figures—ACCURATE weights—with split-second speed!

Send for bulletins... **TOLEDO SCALE COMPANY, TOLEDO, OHIO**

TOLEDO
PRINTWEIGH
SCALES

Field venture suggests the A.M.C. may be laying its lines to branch out and supply non-A.M.C. stores on a national scale if the Affiliated Retailers combine makes progress.

• **Started by Filene**—A.M.C. was a pioneer in pool buying as well as in other modern merchandising techniques. Its forerunner, the Retail Research Assn. (now an A.M.C. division), was started in 1916 by Lincoln Filene, Boston department store owner and social planner. The original purpose of researching and exchanging information quickly expanded into other forms of cooperation and in 1918 the stores formed a private corporation for group buying and market coverage.

Combined sales of the 23 A.M.C. stores will exceed \$600,000,000 this year. Approximately 50% of all the merchandise sold by the affiliates is bought through A.M.C. Operating out of the organization's five floors of offices at Broadway and 40th St. in New York City, a fleet of A.M.C. buyers shops thousands of manufacturers all over the country on individual store requirements as well as group orders. Daily market reports are issued.

• **Local Enterprise Stressed**—Each of the A.M.C. affiliates prides itself on being a community institution, not just a seller of goods. Many of them have grown up with the cities in which they are located.

Members include J. L. Hudson of Detroit, which pushes Macy in claims as to amount of floor space; Abraham & Straus, largest department store in Brooklyn in point of sales volume; F. & R. Lazarus & Co., occupying a similar position in Columbus, Ohio; William Filene's Sons Co., outstanding Boston specialty store; Bloomingdale Bros., for a number of years one of the three largest department stores in New York; and other such well-known emporiums as Joseph Horne of Pittsburgh, Bullock's of Los Angeles, and Burdine's of Miami.

Throughout its history, A.M.C. has advocated informative labeling and high consumer standards and now claims a large share of credit for their general acceptance.

• **Going Abroad**—A.M.C. has large-scale plans for postwar expansion—the Marshall Field tie-up is the first sample—not only in the domestic market but in the foreign field. In the past it has done both a large import and a large export business, being American representative for 17 well-known stores throughout the world such as Harrod's of London and Buenos Aires and Hudson's Bay Co. Retail Stores of Canada. A year ago A.M.C. and Marshall Field combined their London buying offices for development of foreign sources of supply.

Dealer Ads Hit

FTC takes off the gloves in long report on cooperative advertising allowances. Says selective system violates law.

If the Federal Trade Commission kept the gloves on in the first half of its study of advertising as a factor in distribution (BW—Nov. 4 '44, p. 76), it stripped down to bare knuckles in the second half—actually, almost two-thirds, wordwise.

● **Old FTC Target**—This section of the report deals with cooperative advertising (the allowances, discounts, and sundry devices through which manufacturers seek to enlist dealer support for their particular products).

Because of the possibilities it offers for infringement of the Robinson-Patman law, which bans discriminatory sales practices, cooperative advertising has long been suspect to the commission. The advertising study provides a vehicle for the most detailed and sweeping presentation FTC has ever given its position.

● **FTC's Findings**—Stripped to its essentials, FTC's views on cooperative advertising line up something like this:

(1) Where it is nonselective (made available, without discrimination, to all a manufacturer's dealers, distributors, or other outlets on a proportionally equal basis) cooperative advertising need not run afoul of the Robinson-Patman law.

But FTC points out that even such an apparently equitable system of allowances or discounts as one under which payments are directly proportionate to dealers' sales volume (with no extra concessions to the big fellows) may be suspect because any such system reaches a vanishing point at which the receipts of the smallest dealers are too negligible to enable them to make even a modest showing in comparison with their big competitors. Because of the expense and administrative difficulty involved when a manufacturer cooperates with all his dealers in sharing local dealer advertising, the commission believes most manufacturers inevitably tend toward a selective system of allowances, discounts, and suchlike.

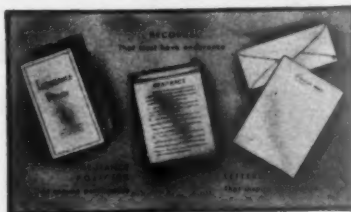
(2) Cooperative advertising on a selective basis (extra concessions to big-volume outlets or "prestige" customers which are not freely offered—or even made on demand—to less-favored dealers) FTC regards as a clear violation of the law.

Such practices, the commission contends, will inevitably give the favored outlets an edge in competing for new business. It may even enable them to take business away from other dealers by giving them—insofar as advertising is concerned—almost the status of exclusive outlets.

(3) The commission carries its attack one step further, arguing that cooperative advertising can have an adverse effect on competition among manufacturers as well as among dealers. When one manufacturer in an industry adopts the practice of sweetening up his out-



You can give your letterheads prestige—your records strength and permanence



Trust your valuable records and important communications only to papers that have the stamina to stand up "under fire." Follow the lead of eminent business executives and professional men by using

EAGLE-A AGAWAM BOND

The rugged quality, fine appearance and durability of this extra fine grade come from 100% new white cotton clippings — the best paper making material.

You can use EAGLE-A AGAWAM BOND with pride. It is the choice of men who appreciate quality, fine appearance and durability. Specify this watermarked paper by name to your Printer, Lithographer, Engraver or Stationer.

EAGLE-A PAPERS

AMERICAN WRITING PAPER CORPORATION

HOLYOKE MASSACHUSETTS

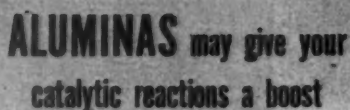
SAVE WASTE PAPER



STREAMLINED TANKER

Latest in tank trucks is a low-slung futuristic job designed to haul liquified petroleum gases from oil fields to synthetic rubber plants. The trailer unit developed by the Heil Co., Milwaukee, Wis., is built to carry propane and butane at about

200-lb. pressure—to keep them in liquid state. The 4,000-gal. tank has a 92-in. diameter and is built of welded steel which eliminates about 2,000 lb. of unneeded framework. Its 18-in. road clearance gives the trailer a low center of gravity which can be shifted forward or back by undisclosed means on which patents pend.



Alorco Activated Aluminas are also assisting in certain catalytic reactions by drying the gases or organic liquids involved before they enter the catalyst chamber. This increases the efficiency and yield of the reactions.

ACTIVE TYPES

This is a catalytically active material when used alone or as a catalyst support. The pores of the granules occupy 50% of the particle volume.

This Alumina is active after an original heating to 500° F. It has finer particles and greater surface area than are obtainable with ground natural materials.

INACTIVE TYPES

This alumina is a porous form of granular corundum produced from pure aluminum oxide. It is a substantially inactive catalyst carrier. Close mesh sizes are obtainable.

This is a substantially inactive powdered Alumina having crystal structure different from the usual Aluminum Trihydrate. The average particles are 1 micron in diameter.

(1) The desire of manufacturers of nationally advertised goods to follow through on national campaigns with a point-of-sale appeal to the consumer. A further incentive to manufacturers is offered by newspaper space-rate differentials. By turning part of his advertising budget over to dealers, the national ad-



At a B. F. Goodrich Co. plant a worker holds an armload of rubber bands from the first batch produced by the firm for civilians since war began. Under recent relaxations of WPB controls (BW—Sep. 9'44, p88), such snappy staples for stationery stores may be made of scrap, reclaimed, and some synthetic rubber.

vertiser can take advantage of the lower local advertising rates which are available to them. FTC reports that, in some industries, manufacturers may get a bigger sales return for their cooperative than for their national advertising dollar.

(2) Dealers welcome cooperative advertising for the obvious reason that it enables them to stretch their own advertising budgets further, attracting more buyers for all their wares—as well as for the products of particular manufacturers. Cooperative advertising also may enable a dealer to cash in on the goodwill of a nationally known manufacturer (conversely, a little-known manufacturer may be able to ride on the coattails of an established dealer).

• **In Selected Areas**—FTC notes that in some fields where national advertising may have become too costly (men's and boys' clothing and collars and shirts are cited as examples) manufacturers have turned to cooperative advertising in selected areas "to obtain and retain the support of their products from dealers who might otherwise turn to less well-known products that cost the dealer less and afford him an opportunity of a larger margin per sales unit."

The commission observes that cooperative advertising plans are most commonly adopted by manufacturers of nationally advertised, trademarked goods and further that the practice is most extensive among makers of "high-priced, stylish" items with wide gross margins.

Earlier in the report, in discussing retail advertising, FTC had noted that "the heaviest expenditures [for advertising] per dollar of sales were notably those in which many manufacturers of trademarked goods shared retail advertising with their dealers, such as women's and men's clothing and electrical household equipment."

• **Cosmetic Field Cited**—Reports to the commission by 60 large department stores showed that advertising allowances, discounts, or other sweeteners were most common among manufacturers of toilet goods—cosmetics, perfumes, soaps, shaving creams, and toothpastes. Virtually all manufacturers of branded cosmetics were reported as participating in some type of cooperative advertising.

In the cosmetic field, FTC's ire has been particularly directed against the industry's practice of furnishing free "demonstrators" to certain favored retail outlets. Last month, FTC handed down a cease-and-desist order against Elizabeth Arden, proscribing the use of demonstrators (BW—Oct. 14 '44, p. 22).

Retailers reported to FTC that cooperative advertising was the established practice in a number of other indus-



Materials handling, common to every

production, storage and shipping operation, is accomplished

most efficiently by versatile equipment capable of

performing many different handling assignments—

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THE 24-HOUR ONE-MAN-GANG

TOWMOTOR CORPORATION • 1221 E. 162ND STREET, CLEVELAND 10, OHIO

STRAIGHT—GAS POWERED INDUSTRIAL TRUCKS EXCLUSIVELY—SINCE 1919

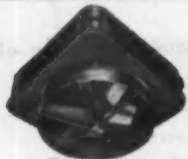
to keep PRODUCTION UP COSTS DOWN ...get

NEW AUTOMATIC PLANT HEATING EFFICIENCY



NEW HORIZONTAL DELIVERY MODEL WITH

- All-Copper Condenser
- Built-in Safety Fan Guard
- Bonderite Rust Protection
- Sound-Silenced Casing
- Patented Direct-from-branch-supply-pipe Suspension
- Patented Expansion Bend



VERTICAL DELIVERY MODEL

MODINE MANUFACTURING CO., 1740 RACINE STREET, RACINE, WIS.

modine

UNIT  HEATERS

Manufacturing for peacetime markets, when it comes, will demand not only top production—but rock bottom costs. That calls for increased plant efficiency—and plant modernization.

Begin with your plant heating equipment. Get the adequate, automatic, even heating of Modine Unit Heaters that has proved so effective in war plants. Get the advantages of higher employee morale, lower absenteeism due to illnesses, and all-around increased productivity.

Start a systematic program of modernization right now! Replace obsolete, worn-out, inefficient pipe coil...or worn-out unit heaters...with Modine Unit Heaters. Order the additional Modine Unit Heaters you needed but were unable to procure before—to give you the adequate heating you should have.

Get those Modines and save fuel—as much as 25% over cast iron radiation. Eliminate those high maintenance costs, too.

Today's urgently needed replacements may be strategically and economically planned to fit into tomorrow's re-converted installations. A Modine engineer will be glad to consult with you. Better write for descriptive Bulletins 144 and 144-A right now.

Modine Unit Heaters are available on a priority of AA-3 or better . . . or, on a repair order such as "MRO."



Look in your phone book for Modine representative's name—"Where to Buy It" section.

tries—notably, electrical household appliances, corsets and brassieres, women's dresses, sweaters, and sports garments.

• **Rayon Industry Criticized**—FTC's strongest criticism is reserved for the rayon industry. Here the commission reviews the industry's efforts to rid itself of cooperative advertising practices, which "increasingly employed, at last resulted in such heavy financial burden as to cause their condemnation by all branches of the industry."

These efforts culminated, in 1939, in a move by most members of the industry to abandon cooperative advertising entirely. The commission notes the names of the three yarn manufacturers who held out against this move and who have continued cooperative advertising up to the present time—Celanese Corp., American Bemberg, and Tubize-Chatillon.

• **Customers' Names Used**—Manufacturers who ceased to participate in cooperative advertising jointly with converters, weavers, cutters, and retailers continued, however, to use the names of prestige customers in their own advertising.

FTC reports: "Without exception, rayon manufacturers interviewed by the commission claimed that they cannot successfully advertise yarns to the consumer, and that, therefore, it is necessary to advertise the finished product in the form of a dress or fabric made from their respective yarns in order to create public acceptance for rayon."

• **Major Campaign Impending**—That the commission considers this practice only slightly less acceptable than the cooperative advertising which it replaced is indicated by this comment: "Neither of these types of advertising is furnished all subsequent manufacturers or all retailers handling such fabrics and garments."

In the light of this discussion, FTC's recent complaint against Celanese Corp., which charges the use of advertising allowances in violation of the Robinson-Patman law (BW—Oct. 14'44, p52), can be regarded as the opening gun in a major campaign against the industry's advertising practices. This week, FTC issued a complaint against N. Erlanger, Blumgart & Co., Inc., top ranking converter and distributor of acetate rayons, charging violation of the Robinson-Patman law by payment of discriminatory advertising allowances and other services to "prestige" customers.

• **Final Warning**—To clinch its case against cooperative advertising, FTC closes with a final warning—that the granting of advertising allowances on a general basis may increase an industry's costs to the point where "consumer prices of manufacturers' nationally ad-



RECONVERSION

WILL BE SIMPLER

IN DIVERSIFIED NEW YORK STATE

TO DATE, 11 percent—that's 17 billion dollars worth—of the nation's war goods has been produced in New York State—in its large plants and in the multiplicity of varied small business units which constitute the backbone of its enterprise system.

This is why reconversion will be simpler here:

Only seven percent of the government-built war plants are located in this State. The bulk of our war goods has been made in previously established plants—and in new plants built with private capital with an eye to future expansion. No ghost towns for the Empire State!

Furthermore, New York's war production is largely in lines in which it leads in peacetime—*diversified* lines such as optical instruments, photographic equipment, food, clothing, electrical equipment, etc. The same experienced and stabilized labor and the same machines can quickly turn to making the products of peace when victory is won.

What This Means To You

This means less dislocation of labor now—to find "jobs with a peacetime future"—less dislocation of labor when peace comes. It means a quicker

flow of processed and semi-processed material. Less disturbance of the "market at your doorstep" of 13,500,000 people with a high per capita income. When the green light goes on, New York will be ready.

Use These Services

We shall be glad to assist you regarding plant locations; supply information on manpower and other economic factors; help get you a preview on taxes for a new enterprise; give technical service on new materials, new products; help promote opportunities in foreign trade. These and many other services are available at our offices throughout the State.

Accept This New Book

We have just prepared and published a new book entitled "New York Means Business." It is packed from cover to cover with facts businessmen want to know. We should like to send you a copy—free and without obligation. Merely request it on your business letterhead.

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COMMISSIONER

NEW YORK STATE DEPARTMENT OF COMMERCE,
ALBANY 1, NEW YORK



NEW YORK MEANS BUSINESS

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BALL and ROLLER BEARINGS

Standard and Special

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COMMERCIAL FINISH OR ULTRA-PRECISION

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Straight or Self-aligning • Extra Heavy Duty or Special Light Types

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PRECISION MACHINE WORK OR GRINDING

to unusual accuracy in large diameters

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For excellence in production of extremely precise,
unusually large ball and roller bearings

THE KAYDON ENGINEERING CORP.

MCCRACKEN STREET • MUSKEGON, MICH.

New in Name • Old in Experience

vertised brands become so high favor the development of dist owned brands and the sale of unl or unadvertised brands at lower This development, FTC notes, was strongly marked in the men ing field before the war.

On this point, the com shrewdly inserted the comment big department store: "We have to our satisfaction, at least, that merchandise is more expensive."

STORE SALES ANALYZED

A recent analysis of Milwau partment stores sales by the Fede serve Bank of Chicago, comparing with 1942, turns up some inter previews of 1944 Christmas shopp

More than twice as much jew sold in December than in any month. December also accoun 20% of the year's total sales of 21% of handbag sales; 23% of w underwear and negligees; 22% of and 17% of neckwear and scarf vember and December account for of the entire year's sales of infants Only women's and misses' coats m year-end peak; their heaviest sale in March.

The study also shows the eff war shortages on Milwaukee d ment store sales: greatest decline r radios, phonographs, and music struments, and household app volume declined 71% in 1943 1942. Less critical lines, how showed substantial increases: dra and curtains, 17%; floor coverings, boys' clothing and furnishings, linens and towels, 30%; piece 34%; muslins and sheetings, 41 fants' wear, 44%; and neckwear scarfs, 49%.

WAR GROUP TO GO ON

The well-publicized cooperative ufacturing group, Grand Rapids l trics, Inc. (BW-Sep. 4'43, p34), is paring to continue after the war. group unites 15 companies in ce ized raw material procurement, join gineering research, standardization material and production controls, tralized machine shop repair service an associated warehouse that per using pool car rail shipments.

Merchandising is beginning to at the outfit's attention, primarily from angle of improving its manufactu G.R.I. lately completed a mail sur 25,000 furniture merchandisers and tomers to learn how tastes may changed during the war. Today's erences: traditional designs for li rooms and dining rooms; modern signs for bedrooms.



Tempelhof Airdrome, Berlin, above, during Fortress bombardment. Official OWI photograph.

"Gull's-eye"

Below you, is Berlin. A sprawling metropolis, spread like a rug at your feet. Your target isn't Berlin. It's a fraction of a square inch in the over-all picture—the hangars and fighter planes at Tempelhof Airdrome.

You are bombardier of the lead ship in formation of Boeing Flying Fortresses. The flak has been bad all the way in, but you've forgotten it, intent on your job. You've taken over now, steering the Fort straight and true on her bombing run. The tiny patch of earth you are aiming at is clear in your bomb-aimer's eyes. Your fingers do their work at the controls. "Bombs away!"

THAT SCENE, repeated thousands of times, by thousands of Army Air Force crews over pin-point targets in German-held Europe, paved the way for the greatest invasion of all military history by destroying much of the enemy's ability to wage war.

Such strategic bombing was pioneered by the U. S. Army Air Forces. Key to its success was the ability to hit the target. This required daylight operation with the American precision bombsight—which, in turn, required an airplane capable of reaching the target in daylight, through intense opposition, and getting back again.

It was the Boeing Flying Fortress which made it possible for the Allies to

begin this operation in 1942, and to continue it consistently since that time.

Today the same program is being carried out against Japan . . . by the huge new Boeing B-29 Superfortresses, which carry a heavier bomb load farther, faster and higher than any planes ever have before. The Flying Fortresses and Superfortresses are Boeing's effort to give American airmen the best possible weapons for accomplishing their difficult and hazardous missions.

Soundly and honestly designed, engineered and manufactured, Boeing products have always done more than was expected of them. Tomorrow, as today, any product "Built by Boeing" is bound to be good.

BOEING

MEMBERS OF THE FLYING FORTRESS • THE NEW B-29 SUPER FORTRESS • THE STRATOLINER • PAN AMERICAN CLIPPERS



Employers Mutual compensation insurance coverage includes more than substantial premium savings through dividends to policyholders. The conservation of losses through accident prevention create additional savings through the reduction of rates.

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COMPANY OF WISCONSIN
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Fast, Error-Proof,
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**HUNTER
ELECTRO-COPYIST**

... the modern way to reproduce

Paper work including anything drawn, printed, typed, written or photographed, that now takes draftsmen, clerks or typists hours to copy, can be reproduced accurately, inexpensively, in a fraction of the time, with a Hunter Electro-Copyist.

For the engineering department, Electro-Copyist copies with speed and exactness sketches, marked-up details or loaned prints, as well as making durable photo-tracings on linen or vellum.

For the office, Electro-Copyist meets one copying emergency after another, so simply that the office boy can do the work with a few minutes' instruction.

Ask for an Electro-Copyist demonstration or write today for our interesting new booklet that is virtually a treatise on photocopying work.

PRICES FROM
\$57.50 to
\$3000.

HUNTER ELECTRO-COPYIST, INC.
107 E. Fayette St. Syracuse, N. Y.

Dryers Click

Home laundry appliance passes tests, but early marketing will be on an exploratory basis. Heavy demand is forecast.

Electric or gas clothes dryers have emerged successfully from tests made under actual home laundry conditions, but extensive marketing of this comparatively new household appliance in the first postwar years probably will be on an exploratory basis.

• **Power Problem**—When the elements of price, performance, and public acceptance have been ascertained, probably in regions where manufacturers can install and service dryers with economy, the appliance will be ready for national promotion, according to a recent consumer reaction survey conducted by Electrical Merchandising, a McGraw-Hill publication.

Outside potential market for dryers would appear to be the more than 18,000,000 U. S. owners of clothes washers. Actually, however, with electric dryers in their present stage of development requiring 220 v. and drawing 4,500 watts, the first market would probably lie in the more than 3,500,000 homes already equipped with three-wire electric service entrances for electric cooking and water heating. Buyers of gas dryers would not, of course, be confronted with the problem of an electric service for the high load, but would need power for the fan and tumbler as well as an adequate gas supply.

• **Cabinet Design**—From the consumer standpoint, the dryer would seem to eliminate the last step in drudgery connected with home laundering—the lifting and lugging of baskets of wet clothes to the clothes line outdoors where then the time-consuming operation of hanging up the clothes to dry must also be done.

Postwar dryers will be of cabinet design to fit into the housewife's idea of a streamlined home laundry. Actual drying will be handled in a revolving tumbler which will toss clothes over and over, slowly and gently, while a fan blows heated air through them.

• **Rapid Drying**—An average washer load of clothes contains about 5 lb. of moisture which the dryer will damp-dry (ready for ironing) in 15 to 20 minutes, and completely dry, for those clothes not requiring ironing, in slightly longer time.

A typical home dryer will hold a maximum washer load of 9 lb. of dry clothes, and up to 18 lb. of wet clothes at a time. Heating elements will be

protected against overheating by a thermostat and controlled by a humidistat the latter adjustable to the degree of dryness desired.

• **Confined to Basement**—In the pig operation of dryers two main problems developed—moisture exuded in the drying process will continue to collect in the dryer to the basement, and the byproduct of the drying action, lint, has been supplied by a simple clothes trap. Few housewives using the appliance, however, offered objection to these points.

Production of dryers is currently concentrated in the hands of two firms, Lovell Manufacturing Co. of Erie, Pa., manufacturers of wringers and wringer-rolls for the washing machine industry and Hamilton Manufacturing Co. of Two Rivers, Wis., which, it is understood, will also make dryers for commercial builders of washing machines.

• **Sales Outlook**—To date less than 1,000 units have been made. Most of them have been used in experimental homes.

A manufacturer's survey of 7,000 families in one area, which revealed a demand on the part of 44.2% for automatic washers, 35% for ironers, showed that 23.6% wanted dryers though they never have had a chance to buy them. One manufacturer estimates that the country will absorb 1,847 clothes dryers, with one out of every ten washer owners being a potential prospect.



In the postwar home an automatic new clothes dryer (right), which promises to outmode the back clothes line, may stand alongside the washing machine. Wet wash goes to the front opening, comes out 15 minutes later all ready for ironing.

Label Law Upheld

Drug manufacturers are responsible for labeling on consumer packages put up by distributors of products.

Drug manufacturers who ship in bulk are responsible for the labeling used by distributors on the consumer package, under a circuit court decision now upheld by the U. S. Supreme Court's refusal to entertain an appeal sought by the Amer Co. of Chicago.

FDA Upheld—The court's action establishes the validity of Food & Drug Administration regulations detailing the procedure that a drug manufacturer must follow to assure himself that his product will not be misbranded when it reaches the public. Such assurance is a prerequisite to exemption from compulsory labeling on the bulk container. Leaders in the proprietary medicine industry regard the decision as a deterrent to small-fry competitors whose ethics are questionable.

Misbranding Charged—In the present case, Amer Co. was shipping in drums the owner of the formula, Paul Case, Brockton, Mass. Drums were labeled: "Special Formula Tablets—No. 2. The product contained herein must be sealed and labeled at the point of destination before sale."

A seizure was made in Case's plant and Amer was labeled charged misbranding by reason of the absence of any statement of ingredients, directions, and warnings against misuse.

Labeling Guaranteed—In defense, Amer Co. contended it had met the requirements of law and regulations by giving a guarantee from Case that he would relabel the tablets according to the law. This, the company contended, met the requirements for exempting the bulk shipment from labeling.

The court held otherwise, stating that Congress intended an outright exemption of bulk shipments from the labeling requirements without restrictive conditions of any sort, there would have been no need for it to provide for regulations formulating the exemption; the court would have simply stated the exemption.

May Apply to Food—The court's action in the drug case may be useful to the food field, as there is a parallel problem in the food section of the law. The FDA's policy in enforcing the law, in the interest of consumer protection, is to carry responsibility for violation to the source of the product.

Prominent Users of Strathmore Letterhead Papers: No. 53 of a Series



Is your letterhead "ON THE BEAM"?

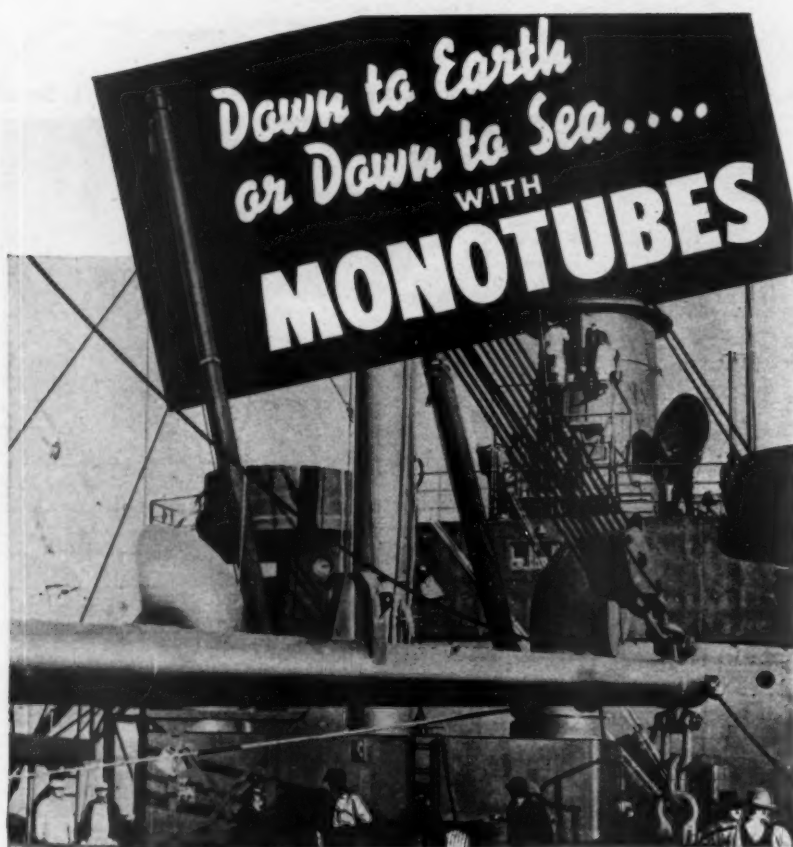
Every two minutes throughout the day and night, from some airport in the United States, or Canada, or Mexico, an American Airlines Flagship takes off on a flight, vital today to winning the war. Tomorrow the Route of the Flagships will play an increasingly important part in the peacetime world.

American Airlines letterhead, on fine Strathmore paper, expresses the position and power of this great company. Your letterhead, too, should be "on the beam"... should get your story home. Today, when lighter weight paper must be used, quality is paramount. The Strathmore watermark is your assurance of that quality.

Strathmore Papers for Letterheads: Strathmore Parchment, Strathmore Script, Strathmore Bond, Thistlemark Bond, Alexandra Bond, Bay Path Bond and Alexandra Brilliant.

STRATHMORE MAKERS OF FINE PAPERS

Strathmore Paper Company, West Springfield, Massachusetts



For years one of Union Metal's best-known peacetime products was the tapered, tubular steel foundation pile. Its lightness, strength, and easy extendability made cast-in-place piled foundations safer, faster, and cheaper to install. Contractors and engineers used them everywhere . . . to build better foundations for bridges, highway overpasses, buildings.

Then came the war and the immediate need for countless numbers of cargo-handling booms to equip our new-born merchant fleet.

Working to exacting Maritime Commission specifications, Union Metal engineers adapted the basic Monotube tapered steel principle to this new use. The result was the Monotube tapered steel boom now in action on the seven seas . . . balanced, light

in weight, strong . . . used by the Army, Navy, and Merchant Marine alike.

During the last two years these tapered booms have handled millions of tons of munitions, weapons, food, and lend-lease material. Like the successful peacetime product from which they sprang, they're an example of the better design, better engineering, better craftsmanship which goes into all Union Metal products . . . which could go into the things you sell.

If the products you're planning for postwar call for steel fabrication, why not get in touch with us now? For, although our manufacturing facilities are devoted to war production, the advice and assistance of our skilled engineers and designers are available to you now. The Union Metal Manufacturing Co., Canton 5, Ohio.

UNION METAL
Craftsmen in Steel Fabrication

Small Stores Gain

Independents' favorable position is emphasized in Harvard studies. Net profits as chains lag.

The apparently favorable position which small independent stores gained over larger stores and chains during the war is documented in two studies recently published by the Harvard University's Bureau of Business Research. • **Studied 367 Stores**—"Operating Results of Department and Specialty Stores in 1943" includes a study of 367 department stores with total net sales of \$49,895,550; these stores experienced a 16% over-all sales increase in 1943.

The bureau finds that in spite of wartime difficulties as merchandise shortages and government controls, department stores had slightly increased net profits after taxes, in 1943 over 1942. This was not the result of increased gross margins—which declined slightly from 38.7% to 38.4% of total sales—but of decreased operating expense percentages (from 32% to 29% of total sales).

• **Favorable Net Profit**—The trend is emphasized by the experience of smaller stores. Unlike previous years, their net profit in relation to sales volume was as favorable as that of large stores because of their distinctly higher rates of sales increase.

The study demonstrates how expenses and profit rates are favorably influenced by substantial sales increases over a period of time. For example, department stores which had sales increases of 30% or more in 1943 over 1942 showed a drop of 4.6% in total expense ratios, while stores with sales increases of less than 10% showed a drop in the expense rate of only 1.1%.

However, even department stores with less than 10% sales increase during 1943 experienced a drop in the total expense rate—probably the result of special wartime conditions such as employment shortages.

• **More Cash Sales**—Some other findings: (1) There was an understandable marked increase in the importance of ready-to-wear sales, and strong decrease in home furnishing sales. (2) Basement store sales increased only 8.9%, compared with 17.8% increase in main store sales. (3) Despite help shortages, self-service methods have not been widely used. (4) Cash and C.O.D. purchases represent 58% of total sales, a marked increase over 1942.

The Bureau's "Expenses and Profits of Limited Price Variety Stores in 1943"

Gains up the currently favorable position of independent variety dealers, compared with chain stores. Independent rate of sales increase, 1943 over 1942, was 18%, compared with 14% for chains, while their earnings before taxes, 94% of sales, compared with chains' 10%.

Large Chains Lag—The study reveals brightening up in variety chain operation: a decline in the rate of sales increase and in the rate of expense reduction, with gross margin showing a slight decline—the first reversal of the uptrend that had persisted since 1939. In 1942 both small and large chains had equal rates of sales growth, but small chains held this rate in 1943 and large chains did not.

The bureau finds that long-term trends for variety chains are similar to those of department stores: (1) Gross margins showed a rising trend until 1941. (2) Total expense rate has declined since 1938 to slightly below the 1931 level. (3) Net profit has increased steadily since 1938, although net gain after taxes has declined because of obsolescence reasons.

Some Advantages—The study indicates that independent variety stores apparently experienced no competitive disadvantage in comparison with either small department stores or small chain organizations. Actually, they had an advantage over small chains in gross margin, expense, and earnings—possibly as a result of tie-ins with buying groups with which most of the reporting stores are voluntarily affiliated (BW—Aug. 5 '44, p. 38).

Still in the experimental stage is a new market research service which Dun Bradstreet, Inc., hopes to have ready by next year. The company will make use of its own branch office records in selecting stores that will assure accurate sampling, and will use a store inventory auditing technique like that of A. C. Nielsen Co. The service will be confined to products sold in grocery stores, at first, and will probably be launched in New England. . . . Television won't lack distribution channels when the time comes: Fred H. Fidler, 15 years J. Walter Thompson Co. radio department organizer) and unnamed partners last week set themselves up as Cine-Television Studios—television consultants and production supermen. Since the country boasts only a few transmitters at present, much of their television work is experimental. Meanwhile, a division of the firm, Motion Picture Networks, functions as a contributing agency for sponsored motion picture films.



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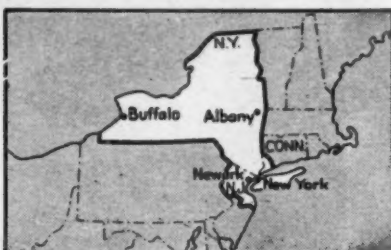
THE REGIONAL MARKET OUTLOOK

A summary of industrial, agricultural, and other trends, affecting the income and general business prospects in twelve Federal Reserve districts of the nation for most recent month. (Last month's report: BW—Oct. 7 '44, p. 10)



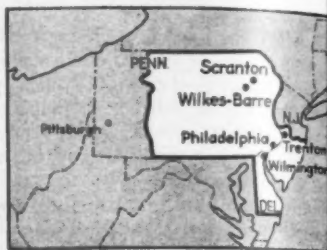
• **Boston**—With only 10% of the nation's factory workers a year ago, New England has accounted for almost 20% of the national job decline in manufacturing. Massachusetts war jobs in electrical and radio work, for example, are still ahead of 1943, and the over-all drop is due more to attrition of labor forces in cotton, woolen, clothing, shoe, and related basic peacetime lines—though ship work has faltered in Maine, for instance, and engine plants in Connecticut have steadily lost manpower.

Actually, industrial job rosters by now have dipped below the peak peacetime levels of 1941—an indication of the probable employment trend once victory brings servicemen back into the regional labor market. Expansion of the industrial labor force here when war came was limited by the already high degree of industrialization, reflected, for one thing, in the high proportion of women working.



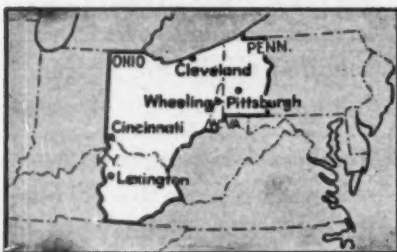
• **New York**—This metropolis' apparel industry is getting along with fewer workers than a year ago, but work is steadier and longer, and production and payrolls have held up. Indeed, total manufacturing income has not declined over the past year, as it has in the nation. With shipping, amusement, financial, and similar nonfactory activity strong, the city is probably gaining on the nation incomewise, for the first time during the war.

Elmira, Binghamton, Rochester, and Paterson make the best year-to-year payroll comparisons in the district; Bridgeport, Jersey City, Utica, and Schenectady, the worst, with Buffalo and Yonkers not far behind. In general, total nonfarm jobs in the district outside of New York City itself have fallen somewhat more, percentage-wise, during the past twelve months than they have in the nation—and total income has followed the employment trend.



• **Philadelphia**—Despite further losses in textile and shipbuilding industries, the war industries have continued to hold up somewhat better than the nation's over the summer, as had in the spring (BW—Jun. 10 '44). That holds for the Philadelphia industrial area, as well as for the district as a whole. Williamsport and Wilmington have seen the worst losses; Scranton has made the best gain.

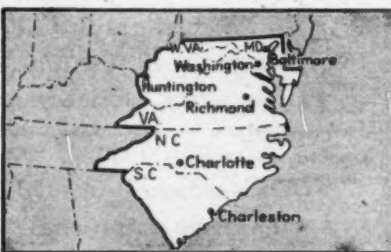
Though it's common knowledge that the region's income has trailed the national average during the war because the war industries failed to expand as sharply elsewhere, it may be even more significant that the district's share of U. S. employment in nondurable lines—textiles, clothing, shoes, food, paper, and printing—dropped off between 1939 and 1943. Losses in district standbys imply permanent reduction of relative income position as a result of the war.



• **Cleveland**—Minor new construction has been set for Sandusky, Akron, Warren, Ironton, and other spots, and for the most part, business in the region is holding to peak levels pending victory in Europe. Employment is easing a bit less than elsewhere, with manpower shortage squeezing coal and steel, and a few layoffs coming in aircraft. The percentage decline in factory jobs from a year ago runs around 5% in almost all cities in the district.

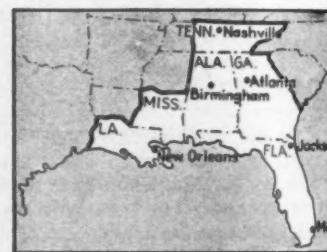
Initial reconversion shocks are apt to be greater here than in most regions, but because of the concentration on durable goods lines most in postwar demand, income will rebound after the first transition.

Farm receipts are doing about as well as nationally—a little worse in Ohio, but a bit better in eastern Kentucky. Crops compare unevenly with 1943—tobacco, wheat, and oats up, but corn, hay, and pasture down.



• **Richmond**—Employment as a whole has fallen more in this region over the past year than in the nation, with the worst declines in Maryland around Baltimore war factories, and the least in West Virginia around Charleston's chemical plants. Government jobs in Washington also are shrinking now, and Hampton Roads shipyards have lost considerable labor, with a Russian postwar order for turbines the only bright spot in the outlook there.

Meantime, the income emphasis is shifting to the south of the district. Peacetime lines there—cigarette, paper, rayon, cotton textiles, hosiery, furniture, lumber, etc.—will need more labor even during reconversion and will finally be able to get it. Also, the expanded tobacco, cotton, and other crops will boost this year's farm income gains ahead of the nation's, especially in North Carolina, while receipts lag in the north.



• **Atlanta**—District shipyards have come on their own this year, more than doubling year-ago rate of merchant vessel launchings while national production has fallen. Similarly, superbomber and cargo plant output has soared. As a result, employment has risen a bit in such war plants, which has fallen in most of the rest of the district. Atlanta, Birmingham, and New Orleans show up best on year-ago comparisons.

Florida citrus was hit by last month's hurricane, after getting off to a better start than a year ago, but even so, receipts are still top 1943's comfortably. Cotton yields are up through the region, except in Louisiana, though diversion of acreage will cut crop in Georgia and Alabama, too. The high level of farm income so far probably will carry the year's gains above the nation's in most sections—rounding out another better-than-average year for the district.

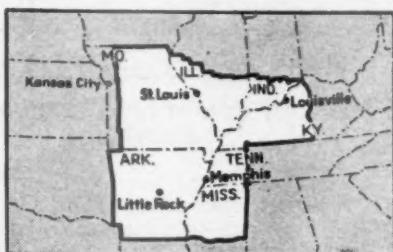
-A GUIDE TO INCOME TRENDS

Labor supply—and consequently industrial income—is shrinking faster in some regions than others, as war production holds its pace into the winter. Most farm areas due to close 1944 with substantial gains in receipts.



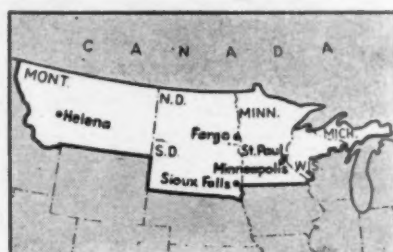
● **Chicago**—Prospects for this heavy goods region during reconversion are bright, despite the problem of changing over auto plants. Such major lines as farm implements, rail equipment, trucks, and industrial machinery will have minor technological difficulties in rising to meet currently unsatisfied needs. Also, there is some thought that V-E Day cutbacks won't hit so hard as nationally, because of the prominence of Pacific war weapons in this district's arsenal. The postwar outlook generally, of course, is better than average.

Currently, factory employment is falling, but not as sharply as elsewhere, and payrolls are still inching up. Farm income is recording approximately the national 10% gain over 1943 returns, fairly uniformly through the district. Thus, total income for 1944 will advance more than the national average, closing the 1939-1944 war period with at least "par" increases.



● **St. Louis**—A \$60,000,000 plant for Camden, Ark., is the latest in recent blueprints for arms expansion in this region for the artillery program—the bulk of which, however, has not been translated from paper into actual employment gains, and isn't apt to be before V-E Day. Rather, spot reconversions and postwar expansions will probably provide more job gains in coming months than the new war programs, whose primary effect has been to arrest what was a steep payroll decline last winter and spring. Louisville is still outstanding among the larger centers.

Crop gains—in cotton, tobacco, corn, wheat, rice, oats, soybeans, and hay—have been retained over recent weeks, assuring at least average improvement in farm receipts for the year. Fruit and vegetable yields are substantially higher than 1943, with pears, up 75%, and peaches, up 200%, the outstanding examples.



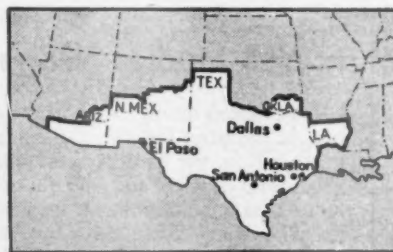
● **Twin Cities**—In the wake of a bigger wheat crop, farmers in the region now can boast \$100,000,000 worth more corn than last year. And following the whole wartime trend within the district, the Dakotas have gained most, from wheat in the north and corn in the south. In addition, western ranges and eastern pastures continue in excellent shape, thus saving on feed bills. Hay is the only feed crop smaller than in 1943.

Factory jobs locally are down less sharply from a year ago than generally, and need for thousands more construction workers to complete the new powder plant resulted in a tighter labor-supply classification here a month ago. Eau Claire, Wis. (BW—Oct. 7 '44, p. 36), has its heavy tire output under way and employment is recovering fast. The seasonal letdown in ore shipments is about to hit Duluth-Superior as well as other ore towns, and shipbuilding jobrolls there are easing, too.



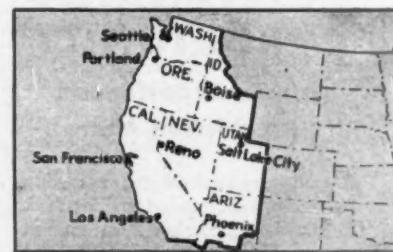
● **Kansas City**—Corn is turning out even better than anticipated, excellent sorghum and other crops are being harvested, and next year's winter wheat is up in good growth, providing lamb pasturage. All this reflects the basic fact that rainfall in the past six months has been normal or above, giving excellent moisture in the season past, and subsoil moisture for the future. Farm receipts will make above-average gains for the full year—with corn the boon in Nebraska, wheat in Kansas, and cotton in Oklahoma. Prospects are primarily favorable, however, because of the general gains in feed supplies.

With industrial employment running better than nationally, except at Denver and one or two other spots, total income again this year will outrun the nation's, with Kansas and Nebraska still doing best. Discovery of a new Oklahoma oil field may help halt the decline in district output.



● **Dallas**—Though cotton is no longer "king" in this southern region—and hasn't been for years—the drop in yield and acreage below 1943 will contribute to a general lag of farm receipts, which so far have trailed the nation's anyway. With corn and hay down, barley and sorghums up from 1943, the feed situation also is only "fair" compared to the nation's, and the condition of range cattle is "average." The main 1944 farm achievement has been to harvest crops in face of the labor shortage resulting from munitions manufacturing.

In general, war work has held up better than expected. Employment at Dallas' aircraft plant, first slated for a 50% cut, has been sustained by new contracts, ordnance plants have benefited all summer from the emphasis upon artillery ammunition, and chemical works have gone on expanding jobrolls. The one big downtrend is in Army camp personnel, now largely overseas.



● **San Francisco**—While the industrial income advance this year may have slowed down behind the national pace, due to continued migration eastward and other declines in the labor force, there still is some question just how badly this region will be hurt by V-E Day cutbacks.

In general, the sharper expansion of war work here than nationally means a sharper postwar drop in income, too. But one sustaining influence when the Japanese war receives exclusive attention will be the increased shipment of war supplies and expansion of bases. Also, cutbacks here may be smaller than in the East, due to concentration on superbombers, cargo planes, ship repairs, and naval vessels. A smaller proportion of any cutbacks will be reabsorbed in reconversion, of course, but in the net, this district's income may do as well in 1945 as the nation's. But agriculturally, fruits and vegetables may suffer sharp price declines.



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LABOR

Wages or Salary?

Despite chilly reception in NWLB and industry, C.I.O. is pushing guaranteed annual wage for hourly workers.

Partially obscured by organized labor's demands for adjustment of the Little Steel formula is an issue which has aroused workers in the nation's heavy industries, and now is to be the prime objective of the C.I.O. for 1945. **• Guaranteed Wage**—This week that issue—a guaranteed annual wage—was before the National War Labor Board in its consideration of "fringe" demands of the C.I.O. in the Little Steel case—issues not related too closely to the union's demands for a 17¢-an-hour wage increase now barred by ceilings on pay raises.

The board heard arguments on the guaranteed wage issue, then instructed Lloyd K. Garrison, a public member, to draft a report as a basis for a board decision.

• Based on 40-Hour Week—The guaranteed annual wage would be based upon a 40-hour week and a minimum

weekly wage computed from average straight-time earnings for one year preceding a new contract, plus a general upward wage revision to compensate for loss of overtime and other war emergency increments.

A worker now making \$1 an hour, \$52 with overtime, for a 48-hour week would receive \$46.80 for a 40-hour week, and a guaranteed annual wage of \$2,433.60.

• Wide Acceptance—Included in the current demands of the United Steelworkers of America (C.I.O.) on the NWLB (BW—Apr. 1 '44, p. 15), the proposal since has spread to other industries (General Motors, Aluminum Co. of America, General Electric, and the meat packers) and has struck a popular chord at a number of C.I.O. conventions.

To workers, particularly in the heavy industries, it has been a new and strong rallying cry for C.I.O. These workers who during the war period have enjoyed the benefits of the 52-week work year are reluctant to go back to the uncertainty of alternating weeks, and sometimes months, of work and idleness while mills build up backlogs of orders sufficient to justify operation.

Through Philip Murray, president of C.I.O. and of the steelworkers' union, and an original advocate of the guar-

NWLB Studies Wage Guarantees

Guaranteed annual wages are not new in industry, but they have been restricted in the past to consumer goods and service and distribution industries. Notable among companies with long-established plans are the Nunn-Brush Shoe Co. and the Geo. A. Hormel & Co.

• Plans on File—A report to the National War Labor Board by its research and statistical staff during hearings on the C.I.O. annual wage demand showed that in March, 1944, 57 annual wage plans were on file with the Wage & Hour Division of the Dept. of Labor.

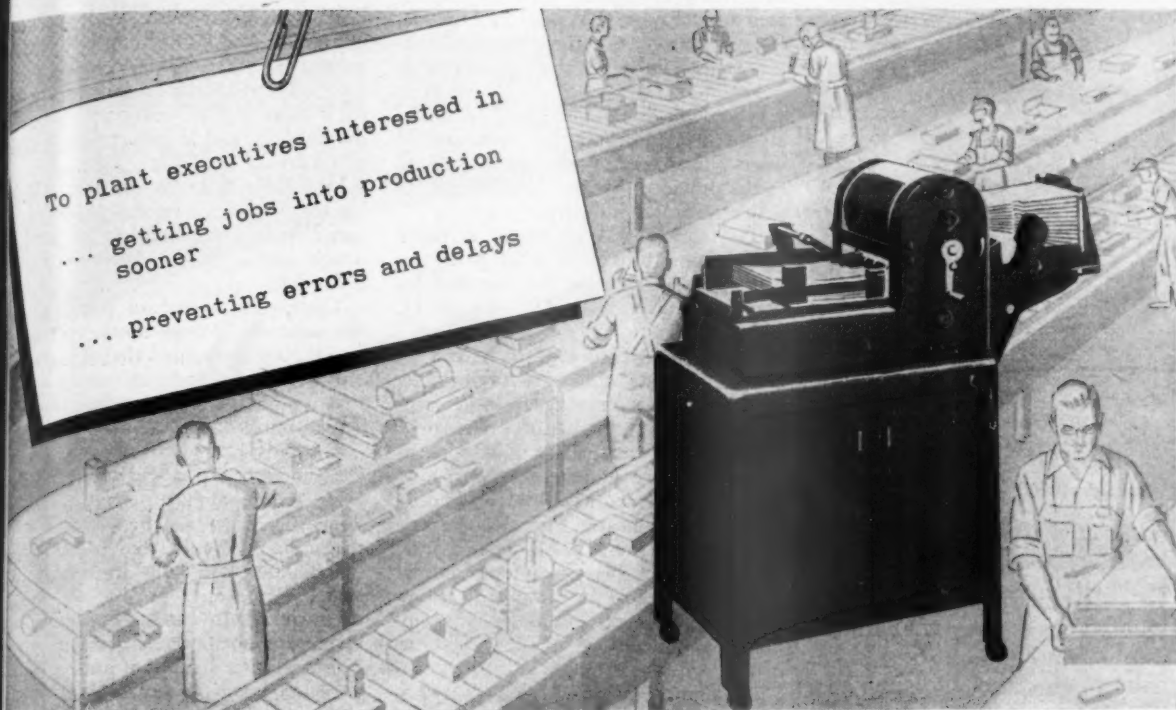
Of the 55 of these considered, 43 gave guarantees of annual employment, twelve a definite annual wage. But in some instances only small basic work crews or specialists were covered; in others employees were required to have been on the payroll for three months to five years.

• How They Varied—Not all the 43 plans specified guarantees of a full

year's pay or wage. Six were for 50 to 52 weeks' work unconditionally, with nine others for that period having escape clauses for the companies. Of the other plans, seven provided 45 to 50 weeks' employment; seven, 40 to 45 weeks; seven, 35 to 40 weeks; five, under 35 weeks; and two were indefinite.

Most of the 55 plans were initiated by management, but a number of the later ones were instituted on union demand. Eight C.I.O., nine A.F.L., and seven independent unions were covered.

• Like G.M. Plan—Included in the NWLB study were 30 other guarantee plans, not on an annual basis. Six covered wage advances to make up minimum weekly or monthly wages, similar to the General Motors plans for wage advances in slack periods to be repaid in labor (BW—Nov. 19 '35, p. 24). Twenty-four others called for guaranteed weekly or monthly work or wages.



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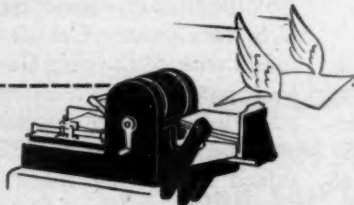
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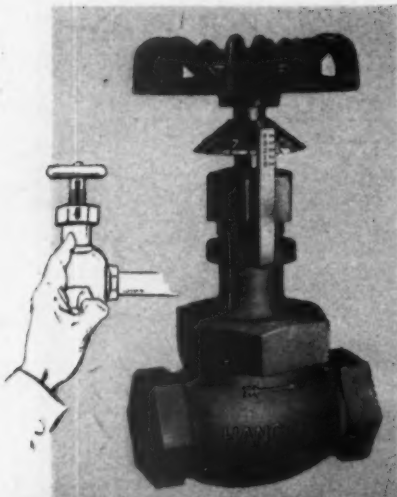
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teed annual wage (BW-Jul.22'44,p.93), the workers have argued that full employment on a yearly basis is possible in heavy industries.

• **Precedent Set?**—The C.I.O. union argues that precedent has been set for wage guarantees by the guarantees already provided by the government to agriculture and industry.

The agricultural guarantee is for a minimum return of 90% of parity on principal crops during the war and for two years afterward (BW-Aug.26'44, p17).

The guarantee to industry is the so-called carry-back and carry-forward provision of the income tax law which permits refund of a portion of a company's wartime taxes to cushion the shock of reduced postwar income.

• **Panels Unsympathetic**—A fact-finding panel which heard the steelworkers' argument for the NWLB showed little sympathy for the guaranteed annual wage in its report to the board. Similarly, another panel refused to recommend an annual wage for C.I.O. workers of General Electric and Westinghouse.

Undaunted by the rebuffs, the steelworkers laid the matter directly before the NWLB. The proposal is expected to fare little better there.

It is believed more likely that the board will ease its decision by favorable action on other "fringe" issues, granting union demands—routine in form—for a more liberal vacation policy, shift differentials, and an adjustment of plant inequalities.

• **Desirable, But**—Its decision will be backed by blunt figures produced by major steel companies in rebuttal of union claims that a guaranteed wage is feasible.

Companies agreed in principle that the assured 52-week work year is desirable, but contended that it is possible only if the steel industry can be assured that its full resources can be utilized on a year-round basis.

Currently, 500,000 are employed in the industry. If a guaranteed annual wage were put into effect, and subsequently orders fell to 1936-39 levels the industry would stand to lose \$2,700,000,000 annually by overproduction.

• **Unwieldy Inventory**—Producing for inventory obviously is not practical. The steel men argue that aside from the great risk involved, any attempt to carry a \$2,700,000,000 inventory in an industry with capital funds and surplus of \$3,200,000,000 and total assets of \$6,



DIGGING IN

Across a peat moss bog in British Columbia rolls a crude but efficient conveyor belt, one of the lesser mechanical innovations in an industry which has been traditionally one of hand labor. In another section of the bog at New Westminster, one company has already eliminated hand digging with a suction dredge, has converted a paper-making machine for drying and processing the moss. In

1939 the chief exporter of moss to the U. S. was Germany; Canada was a bad fourth with 6,922 tons. Canada's exports jumped to 13,122 tons in 1940 when war cut off European exports, and two years later to 32,289 tons, valued at \$943,385, much of it for magnesium smelting. Last year the Dominion's total dropped to 28,634 tons, but there are strong indications that the industry is convinced it can compete with European markets and is girding to prove it.

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SPECIALISTS IN INDUSTRIAL CLUTCHES SINCE 1918

800,000,000 would be palpably unsound.

They argued, too, that tax refunds would be of only temporary help in meeting costs of a guaranteed annual wage.

In normal times, the durable goods industries use 90% of the production of the steel industry, and the irregularity of their rate of purchasing, based upon their own volume of manufacturing and sales, therefore is behind the irregularity of production and of employment in the steel mills.

• **Fluctuations Cited**—How, the companies asked, can you guarantee full annual employment in an industry whose monthly production rose 50% in 1929 over previous levels; fell in 1932 to one-sixth the 1929 output; rose irregularly until in 1937 it again touched the 1929 level; within one year decreased by two-thirds, then climbed, by 1943, to a position eight times greater than the low year, 1932?

By way of contrast in certain consumer goods industries which have guaranteed annual wages, annual demands can be estimated within reasonable limits, and inventories can be built up during slack sales periods for times of greater demand.

• **They Mean It**—When the guaranteed annual wage was first broached in the Little Steel case, it was regarded as a bargaining point, to be surrendered by the unions in a compromise with industry and government on other more desired demands. But from Murray on down to the rank and file, labor forces were found to be adamant in their advocacy of the plan.

The United Auto Workers, the United Electrical, Radio & Machine Workers, the United Rubber Workers, the aluminum workers in the steel workers' parent union, and the Industrial Union of Marine & Shipbuilding Workers (advocating a 30-hour week and guaranteed 52-week work year) all joined in the C.I.O. demand.

Then Murray removed last doubt about the union's intention to follow through on an annual wage plan when he announced flatly that C.I.O.'s program for the postwar period included the provision that annual wage guarantees must be included hereafter in all labor contracts.

• **Legislation Urged**—Meanwhile, it is possible that legislative action may be forthcoming. Already one attempt has been made by Sen. Harley Kilgore to have the Secretary of Labor study the annual wage guarantee plan as a basis for legislative action. An amendment to that effect was approved by the Senate in passing a reconversion measure. The House, however, later killed the amendment.

Wages on Farms

Agriculture Dept. wants to retain wartime increases for the nation's hired hands; their pay up 142% since 1939.

How increased wages for the nation's 4,000,000 peacetime farm hired hands can be preserved after V-E Day eases manpower shortages is a problem working the Bureau of Agricultural Economics of the Dept. of Agriculture.

Number Declines—The paid farm workers—on Oct. 1, 1944, they had dwindled to 2,911,000 of a total farm labor force of 11,839,000—represent with their families six to eight million persons wholly or partially dependent on agricultural income. They are located on only 20% of the nation's farms, mostly the large ones.

For years these hired hands have complained that they have been neglected in farm planning. From 1935 through 1939 their average monthly earnings were only \$26.01 with board or \$34.17 without.

Wartime Wage Boost—But since Pearl Harbor, with growing shortages of manpower and soaring farm income—a prospective \$22,000,000,000 for 1944 as compared with 1943's \$19,400,000,000 and a 1934-38 average of \$8,100,000,000 (BW—Jul. 15 '44, p17)—their wages have climbed to a national average of \$77.79 with board or \$86.80 without.

Average daily wages have reached \$3.72 with board or \$4.08 without, as compared with the prewar average of \$1.23 and \$1.50. (Based on Dept. of Labor figures for July of this year, the nation's factory workers average \$8.15 for an eight-hour day.)

Big Five-Year Increase—These wage gains represent an increase of 142% since Oct. 1, 1939, a five-year period when gains were showing marked regional variances (map, page 104). (Comparable figures for wage rates in manufacturing industries have increased 97½% in the same five-year period.)

Behind the 142% increase were two figures enlightening to bureau economists: The supply of hired hands on Oct. 1, 1944, was only 56% of the 1935-39 average, and the demand for hired hands had risen to 124% of the prewar average.

Agricultural wage analysts were convinced, therefore, that if postwar cutbacks release an estimated 4,000,000 or more workers, the trend in farm earnings will point down.

Problem Is Studied—Efforts already were under way to protect the income

We have located Princess Anya Lubeska—and her name is now Mrs. O'Toole!

This answer to the strange request of a Russian Officer in the Soviet Merchant Marine is just one of thousands handled by "C.W.I.B."



"C.W.I.B." is the Civilian War Information Bureau of the Oregon Journal... the newest among this newspaper's many public service departments. Since its inauguration in 1942, a few weeks after Pearl Harbor, it has grown steadily in reputation and importance. Today it is the port of call every month for hundreds of civilian and service people beset with the problems and perplexities induced by war.

Primarily the functions of this bureau were to supply directive information to civilians about Federal agencies dealing with the war effort. But not for long. The complications of wartime living became critical; more government agencies mushroomed up; commodities became scarcer; new regulations and restrictions were applied. Faithful to The Journal's tradition of keeping attuned to the needs of its community, the Civilian War Information Bureau is now handling inquiries that run the complete gamut of services for human welfare!

Spend a half hour in ear shot of the C.W.I.B. and you'll hear questions from people in all walks of life. An anxious war mother asks, "Where can I find a competent day nursery for my child?" A soldier with a worried look inquires, "How and where

shall I apply for additional dependency benefits?" A woman with some household goods to sell phones "Is there a ceiling on used bed springs?"

You'll also hear inquiries about legal advice, housing, civilian rehabilitation, mail for overseas, the postal department, transportation, the different branches of the service, bond drives, Red Cross, Civilian Defense, relief agencies, denominational and racial centers and many others that ebb and flow across the counters of the bureau in a never ending stream.

The Journal is a composite of many people—in which each person contributes his ideas, his brains, enterprise, and vision to a great driving force for the common good. This force is not expressed in cold type alone—but also through the medium of service that is warm, human and understanding. The Civilian War Information Bureau is another link in the chain of public services rendered by the Oregon Journal. No wonder The Journal is today, as it has been for years, Portland's favorite newspaper!

...If you lived in Portland you'd read

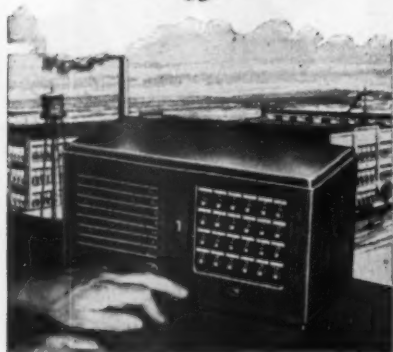
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PORTLAND, OREGON

Afternoon and Sunday

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Graybar Building, New York City

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Principal Cities



of farm operators (BW—Aug. 26'44, p17) and various wage and job security studies had been started for industrial workers.

Seeking a similar objective for farm hired hands, the Agriculture Dept. set up a committee headed by Dr. Carl C. Taylor, rural sociologist, and including among its members Louis J. Ducoff, agricultural economist.

• **The Recommendations**—The result is a 193-page report on agricultural wages, concluding with a 13-page recommendation that in order to solve the hired hands' problem the following program be instituted:

Legislation to set farm wage standards along the lines of the Fair Labor Standards Act of 1938, or the British Agricultural (Regulation) Act; extension of social security to cover farmers and their employees; extension of unemployment insurance rights to hired hands; development of farm labor placement services; domestic and foreign policies aimed at making agriculture more efficient and profitable; and broadening of all postwar income parity, public services, housing, health, and general security legislation to include farm wage-earners.

G. I. Job Survey

Check of 1,000 servicemen shows 53% want old jobs again
Poll gives business an idea of what to expect after the war.

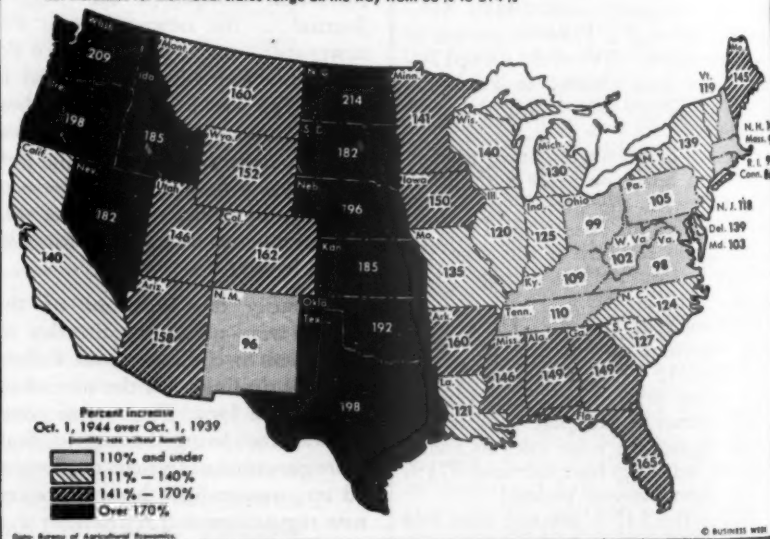
How many servicemen actually want their old jobs back after demobilization? How many believe that they have outgrown the jobs they left and are now qualified for better positions under their former or another employer?

• **The Requirements**—Answers to these questions ultimately must be considered in settling the problem of veterans' postwar employment. Under Selective Service regulations, employers must rehire in either the same job, or one of equal pay, seniority, and status, all permanent employees who went into the armed forces even if it is necessary to discharge nonveterans.

If many former employees do not plan to return, if thousands of workers who have risen into the commissioned ranks decide to try new fields of employment, the problem for business and industry

FARM WAGE RATES UP 142% IN FIVE YEARS

But increases for individual states range all the way from 86% to 214%



Wide regional differences in rates of increase for farm wages during the five-year period from Oct. 1, 1939, to Oct. 1, 1944, reflect variations in the supply of workers, living costs, sex and age of workers, and skill and volume of output of workers. Hence, in the western regions, where the labor supply dropped as low as 47% of prewar levels, increases are highest. In

New England, where prewar farm wages were highest, the gain has not been so pronounced. In the Deep South, low prewar wages and a drain on farm labor supplies by new industries caused sharp gains. Increases charted for monthly pay rates without board are roughly applicable to other farm wage scales—daily and weekly, with and without board.

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*... "Post-war operations will be
more efficient with Teletalk"*

THE DEXTER COMPANY



● Time saved by their Teletalk Amplified Intercommunication System during this war period has been most helpful, says The Dexter Company, laundry equipment manufacturers of Fairfield, Iowa. Looking to the future, G. W. Yeager, Treasurer, writes, "Teletalk will, we believe, make our plant operations more efficient in the post-war period . . . enable us to give our customers the service they will expect."

Twenty Teletalk stations connect the offices and plant departments of The Dexter Company for complete communication between key executives and for paging in the plant. Calls are made and replies received instantly. Several persons often talk from different offices at the same time, eliminating the delays of a formal conference.

Everywhere today progressive concerns are get-

ting into high gear for the years of competitive manufacturing and selling that lie ahead. Few plans are more important than those which insure the quick, convenient intercommunication between offices, factories, warehouses that Teletalk Amplified Intercommunication provides. /

Get ready for tomorrow with Teletalk. Banish forever the endless waiting to find key executives. Conserve the time and energy of valuable employees by making it possible for them to talk to others instantly, without leaving their desks. /

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BLACKHAWK HYDRAULIC JACK
IN THE TOOL BOX!**



**A Message to Men Planning Postwar
Equipment that will Roll on Wheels**

The big names among quality truck and bus manufacturers have, for years, included Blackhawk Hydraulic Jacks in their list of standard equipment. This same idea will be especially valuable, in postwar, to makers of many other types of heavy vehicles and equipment requiring a jack for road or field service. The customer is impressed by the manufacturer's thoughtfulness in supplying such an important service item. And, when it's a Blackhawk, he recognizes that he has been given *the best* in hydraulic jacks.



Equipment buyers are mighty careful in choosing a hydraulic jack — realizing that a jack *at any price* is worthless unless it performs in every emergency. Because of its dependability, performance, and freedom-from-maintenance, a Blackhawk Jack will reflect creditably on your judgment.

We will gladly counsel on models measuring up to your load and axle requirements.

Write Blackhawk Mfg. Co.,
5300 West Rogers Street,
Milwaukee 1, Wisconsin.

BLACKHAWK

WORLD'S LARGEST MANUFACTURER OF HYDRAULIC JACKS

may turn out to be decidedly different.
● **Plans of 1,500 Checked**—For reason results of a survey made by War Dept. of the postwar plans of 1,000 servicemen from Genesee County, New York, will give businessmen an idea of what to expect.

The sampling of men from the area indicates:

To return to their old jobs 53%

Plans for other jobs 12%

To seek new jobs for which additional training and experience qualify them 10%.

To resume interrupted education
Plans for going into business themselves 5%.

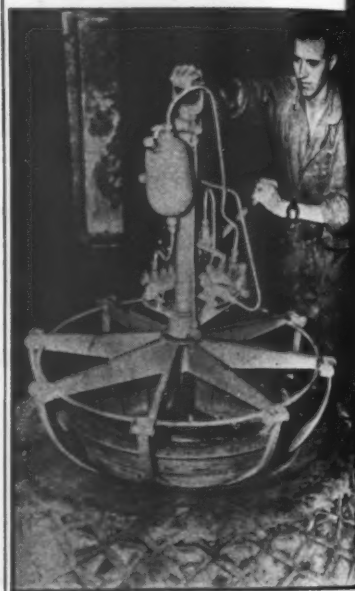
To seek employment in a different community 2%.

Wish to continue in uniform

No definite plans 9%.

About 70% of men discharged through Army separation centers seeking to return to former jobs, many of them are asking for better jobs. If former employers cannot or will not give them, other jobs are being sought.

● **Similar Reports**—Surveys by private interests, including checks made



IT PUMPS TIRES—OFF

Using his own "homemade" hydraulic tire puller in Italy, a master sergeant presents new evidence of the mechanical genius that American soldiers have taken around the world. Stealing the device with his right hand, the mechanic quickly and easily removed a heavy bomber tire with a few pumps on a pump handle. Parts for the neat time and labor saver were salvaged from an aircraft junk pile.

Now the *Sales Manager* has time to SELL!



Formerly the Sales Manager of a large screw company had little time for closing contracts. He had to keep track of sales on 40,000 stock items, 8,000 special items . . . see that his salesmen stayed a leap ahead of 3,200 machines producing 15,000,000 pieces from sunup to sunset . . . and handle 72,000 customer contracts annually, each with 1 to more than 200 products. In spare moments, he softened up hard markets, thought up slogans, ran sales conventions.

The S.M. needed much information . . . but important sales control items were lost in a forest of facts. Hundreds of unessential figures were posted and tabulated. No segregation was made of customers. He could find weak spots in sales only by endless digging in details—until the company called in McBee!

McBEE studied the problem and devised simpler procedures; created Keysort cards to fit the specific needs. Now the S. M. gets regular reports

promptly . . . on sales by products, by salesmen, by territories, with exactly the pertinent data he may require . . . for better control, has an analysis of all sales to the 150 largest customers . . . and an additional product report on sales to 250 selected customers. From other McBee reports, he sees at a glance the net monthly sales to date, and progressive year to date sales . . . pounds shipped by each product, cost, and value . . . summaries of priority ratings and critical materials.

With McBee, the screw company gets final reports five to ten days earlier . . . saves \$435 per month in salaries and equipment rentals . . . shortens time of preparation . . . handles a doubled volume with only 50% clerical increase, while meeting all complex requirements arising from war production.

Perhaps McBee can help you, too! If you have a problem requiring quicker management reports—see a McBee man, quickly. Just call any office.



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some industries of their own former employees, have shown the same general outlook, and indicate broadly that industries and business can expect a large percentage of former white-collar and union workers to ask for their former jobs back, and that a much smaller percentage of manual workers, particularly those without union affiliation, plans to return to former employment.

M.E.S.A. STRIKE ENDED

The peace which settled uneasily over the Toledo-Detroit strike front this week in the wake of an interunion row affecting 10,000 workers and impeding production in 47 war plants (BW—Nov. 4 '44, p. 101) bore marks of an armed truce.

The independent Mechanics Educational Society of America, which called the strikes, and the C.I.O. United Auto Workers, many of whose members were prevented from working, exchanged recriminations as Army seizure of eight of the Toledo plants short-circuited the M.E.S.A.'s ambitious plans and ended the strikes on Monday.

The walkout began at Electric Auto-Lite Co., Toledo, where six new members of the M.E.S.A. were fired on charges of failure to maintain their prior membership in the U.A.W., which holds a maintenance-of-membership contract. At the windup of the strikes, M.E.S.A. officials announced that a "satisfactory settlement" of these discharges had been effected, but there was no evidence that the six had been reinstated.

Taken over by the Army were plants of Willys-Overland (shell division), Baiser Bros., Inc., Great Lakes Stamping & Mfg. Co., Ohio Tool & Die Co., Inland Products Co., Crescent Engineering Co., Toledo Steel Tube Co., and Wayne Metal Products Co. The Auto-Lite plant was not seized.

VACATION PLANS UPHELD

The right of employers to establish uniform vacation plans for their plants on a nationwide basis has been upheld by the National War Labor Board in two cases in which regional board decisions were reversed.

In unanimous decisions the board approved voluntary vacation plans submitted by the Interwoven Stocking Co. for its Morristown (Tenn.) mill, and the Geneva Steel Co., Geneva, Utah, a subsidiary of U. S. Steel.

The Interwoven plan allows employees a week's vacation with pay on a basis of 2% of annual earnings. Regional boards in Cleveland and Philadelphia, in cases involving Interwoven mills

See these
3 NEW

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The Theory and Practice of Job Rating

By M. F. STIGERS, Purdue University, and E. G. REED, Reed Laboratories, Inc. The new and improved edition of a pioneer book on job rating, explaining the fundamentals of the actual practice of job rating and offering an accurate and scientific technique for the actual work of job rating. Rating plans are covered generally, but emphasis is on methods that provide unusual thoroughness and completeness, through uncovering all pertinent data about a job and by use of questionnaires and rating scales that substitute facts for the opinions of the rater. Second edition. 166 pages, \$1.75.

Industrial Life Insurance in the United States

By Malvin E. Davis, Metropolitan Life Insurance Company. Here in Industrial Life Insurance clearly and simply explained for all who would better sell and handle these profitable and interesting accounts and for those who would make wise investments in this type of insurance. In simple, non-technical language, the book tells how Industrial Life Insurance functions, describes the needs it is intended to serve and analyzes how it serves them and what it costs. Making available for the first time much specific information on practices and experiences, the book discusses the current practices of major companies, with special emphasis on recent developments. 399 pages, \$2.75.

How to Run A Sales Meeting

By Edward J. Hegarty, Westinghouse Electric and Manufacturing Co. Here are 49 specific ways to put "go" into your sales training meetings. A quick guide for better results for both the new and veteran sales manager, the training supervisor, the conference leader—any one in charge of meetings aimed to gain understanding and acceptance of ideas and to encourage action based upon them. The book covers all aspects of planning, staging, and leading meetings, with many practical pointers and valuable tricks of the trade drawn from 30 years' experience in the work. 237 pages, \$2.00.

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What's Happening to the Cost of Living

	Food	Clothing	Rent	Fuel, Ice, & Electricity	House Furnishings	Misc.	Total Cost of Living
August, 1939.....	93.5	100.3	104.3	97.5	100.6	100.4	98.6
January, 1941*	97.8	100.7	105.0	100.8	100.1	101.9	100.8
September	110.8	110.8	106.8	103.7	112.0	105.0	108.1
September, 1942 ...	126.6	125.8	108.0	106.2	123.6	111.4	117.5
September, 1943 ...	137.4	132.5	108.0	107.6	126.3	117.0	123.9
October	138.2	133.3	108.0	107.8	126.7	117.6	124.4
November	137.3	133.5	108.0	107.9	126.9	117.7	124.2
December	137.1	134.6	108.1	109.4	127.9	118.1	124.4
January, 1944	136.1	134.7	108.1	109.5	128.3	118.4	124.2
February	134.5	135.2	108.1	110.3	128.7	118.7	123.8
March	134.1	136.7	108.1	109.9	129.0	119.1	123.8
April	134.6	137.1	108.1	109.9	132.9	120.9	124.6
May	135.5	137.4	108.1	109.8	135.0	121.3	125.1
June	135.7	138.0	108.1	109.6	138.4	121.7	125.4
July	137.4	138.3	108.2	109.7	138.7	122.0	126.1
August	137.7	139.4	108.2	109.8	139.3	122.3	126.4
September	137.0	141.4	108.2	109.8	140.7	122.4	126.5

Data: U. S. Bureau of Labor Statistics; 1935-39 = 100.

* Base month of NWLB's "Little Steel" formula.

in West Virginia and Pennsylvania, approved this plan but the Atlanta regional board rejected it in ordering payment at the straight-time rate for the Morristown mill.

In the Geneva case, the company was authorized to give salaried employees a one-week vacation after six months of employment and two weeks after one year. The Denver board had rejected the proposal on the ground that it was more liberal than the prevailing plan in the Utah area.

N.M.U. LOSES ON LAKES

Efforts of the National Maritime Union (C.I.O.) to organize unlicensed personnel employed on Great Lakes vessels again have been rebuffed in a National Labor Relations Board collective bargaining election.

Climaxing an N.M.U. drive in the Cleveland Cliffs Iron Co., Cleveland, Ohio, an election supervised by the NLRB showed 232 opposed to the C.I.O. union and 190 for it.

JOB SHIFT RULING GIVEN

Transfers of employees to higher or lower rated jobs for a period of 15 days should be considered permanent and pay rates should be revised accordingly, the National War Labor Board ruled in disposing of seven nonwage issues in dispute between the Glenn L. Martin Co., Baltimore, Md., and the United Automobile Workers (C.I.O.).

In other issues, the NWLB denied union requests for a military bonus, postwar overtime provisions, inclusion in a contract of a guaranteed Christmas bonus, and payments to officers for time

spent in handling grievances. A check-off was directed, and top seniority was ordered for union officers during their terms.

Under the transfer ruling, the NWLB said that employees may be assigned to higher rated jobs for a period of less than 15 days, on an accumulated, not consecutive, basis, without any change in rate of pay. After 15 days, the employee must be paid either his former rate of pay or the minimum for the higher rated jobs, whichever is higher. Those transferred to jobs with lower ratings are to receive their former rate of pay or the maximum for the new job whichever is lower.

No transfers to lower classifications are to be made unless the employee is unsatisfactory or no work is available at the higher rating, the NWLB specified.

WORK FOR DISABLED

More than 75,000 men and women who previously were unable to hold a job because of some crippling disability have been returned to work rolls in 1944 as a result of assistance given them under the federal-state vocational training program, Paul V. McNutt, Administrator of the Federal Security Agency, has announced.

COMPENSATION DENIED

A man who refuses to work in a union shop or under civil service cannot collect unemployment compensation when he fails to get some other job, the Georgia Dept. of Labor ruled in refusing to recognize a claim filed by a mechanic who described union shop and civil service job offers as unsuitable.

THE WAR AND BUSINESS ABROAD

BUSINESS WEEK
DECEMBER 11, 1944



Don't look for spectacular developments in the formal meetings of the International Business Conference which opened at Rye, N. Y., on Nov. 10.

Though the conference represents the first wartime effort of organized private enterprise to get together on a world basis to discuss postwar problems, **there is no plan to draw up even a set of formal resolutions.**

Instead, the 450 delegates will use the meeting as an opportunity to discuss—at the private business rather than the governmental level—such key problems as **tariffs, bulk buying, price controls, cartels, and international loans, as well as specific business deals among old customers.**

Most delegates will remain in this country for some time to visit factories, catch up on wartime engineering progress, and seize the opportunity to get in touch with buyers as well as producers in order to place big postwar contracts. **It is in these informal postconference meetings that you can expect the most significant developments.**

Wartime diplomatic complications don't come up at the private business level.

Argentina, for instance, will be represented despite stormy diplomatic relations between Washington and Buenos Aires (BW—Oct. 7'44, p116).

M. M. Gousev, chairman of Amtorg Trading Corp., will use the meeting as an opportunity to sell **Russia's** plan for a permanent U. S. machinery and equipment exhibit in Moscow (BW—Sep. 16'44, p112) to assembled representatives of large American industries.

Sweden, eager to patch up badly strained relations with the Allied nations (BW—Nov. 4'44, p112), has sent an unusually strong delegation which will try desperately to place contracts for big sales of goods which the Swedes have stored up in the hope of selling at high prices during the first months of postwar rehabilitation.

India's representation at the conference will be supplemented at the end of the year by several of the authors of the now famous Bombay Plan for industrializing their country (BW—May 20'44, p113).

There is a mounting demand from Indian industrial leaders that they be allowed to accumulate dollars for the purchase of heavy machinery in the U. S., rather than be forced to convert all dollars to sterling and attempt to fill their postwar demands in the crowded British supply market.

The plan calls for the purchase of \$250,000,000 of capital goods a year for each of the first seven years after the war (BW—Aug. 19'44, p112).

With Latin-American delegates canvassing the U. S. market for technical advisers who can supervise the inauguration of large postwar industries in their countries, the Bureau of Foreign & Domestic Commerce will have available for candidates for these jobs a new handbook, **Employment of U. S. Citizens in Latin America.**

Not to be available until early in December, but inevitably of major interest to every delegate, is a newly completed study by the National Planning Assn., Washington, called **America's New Opportunities in World Trade.**

Focus of interest in this forthcoming survey is an appraisal, commodity by commodity, of U. S. import and export prospects in 1950 in relation to prewar levels.

Tip to miners, farmers, and manufacturers:

Imports of meat, wool, petroleum, and nonferrous metals are expected

THE WAR AND BUSINESS ABROAD (Continued)

BUSINESS WEEK

NOVEMBER 11, 1944

to increase; those of hides, silk, and (of course) rubber to decline; exports of finished manufactures to show huge gains.

Despite Roosevelt's denial of any knowledge of British requests for continued lend-lease at the same time that British industry is allowed to resume exports of products made of the same raw materials, that is what is being asked by Lord Keynes' delegation now in Washington.

Britain wants \$3,500,000,000 (it will almost certainly be slashed to \$2,500,000,000) of nonmilitary lend-lease goods, which will be delivered during the Japanese war lend-lease period. At the same time, both countries—according to present proposals—would be allowed to reconvert 25% of their industries to civilian production permissible for export.

Main subjects of controversy: (1) What civilian supplies beyond food the British will receive. **Keynes seeks a broad list; U. S. experts, alarmed about domestic reactions, are arguing for a restricted list.** (2) Whether or not Britain should receive lend-lease supplies that could be made at home if all its production were restricted to domestic use instead of being partially exported to ease London's staggering foreign debt problem.

Next meeting of the Big Three—Roosevelt-Churchill-Stalin—is scheduled for early December.

At the end of this meeting, Secretary Cordell Hull will almost certainly resign, because of ill health, following a stirring appeal to the American public to support the United Nations security pact.

Along the ship lanes, American Pioneer Line freighters have been ordered to resume monthly service between Australia and Boston—America's No. 1 wool port.

But businessmen, struggling to get to France under Washington's reputed lifting of travel restrictions (BW—Oct. 28'44, p7), haven't been able to find ship accommodations to Europe for more than about a dozen persons a month (BW—Oct. 28'44, p116).

As for returning home if the war with Germany ends soon, even the State Dept. suggests that **a civilian traveler had better be prepared to remain in Europe for six or eight months if he goes.**

- With an eye on Scandinavian and other Baltic markets, U. S. manufacturers are planning to establish branches in Sweden where they can draw on that country's surplus of skilled labor and international banking facilities.

American Can Co. has recently made a manufacturing agreement with Swedish Pressed Steel Co., and Cleveland Tractor Co. is planning a large Swedish assembly plant.

As a pattern for the future development of backward economic regions, watch Liberia.

The State Dept. and the Foreign Economic Administration have just sent a mission to this African Atlantic coast country to draw plans for:

(1) Development of a modern seaport which will be built by a private U. S. contractor under the supervision of the U. S. Navy.

(2) A system of modern highways, and airports.

(3) Development of raw materials, including vegetable oil, tropical hardwoods, and gold.

Chiang on the Spot

U. S. demands renewal of efforts to settle differences with the leftist Yen-an regime, also a shakeup in Chungking.

The incident of Gen. Joseph Stilwell's removal from top seat in the China-Burma-India war theater because of personal differences with Generalissimo Chiang Kai-shek is officially closed. But it has served to widen the breach between Chungking and other United Nations capitals on more fundamental and lasting political and economic issues.

U. S. Shows Good Faith—As demonstration of its good faith, Washington is sending mild-mannered Donald Nelson and a staff of experts to create a miniature WPB for China, to boost China's self-help and iron out economic troubles.

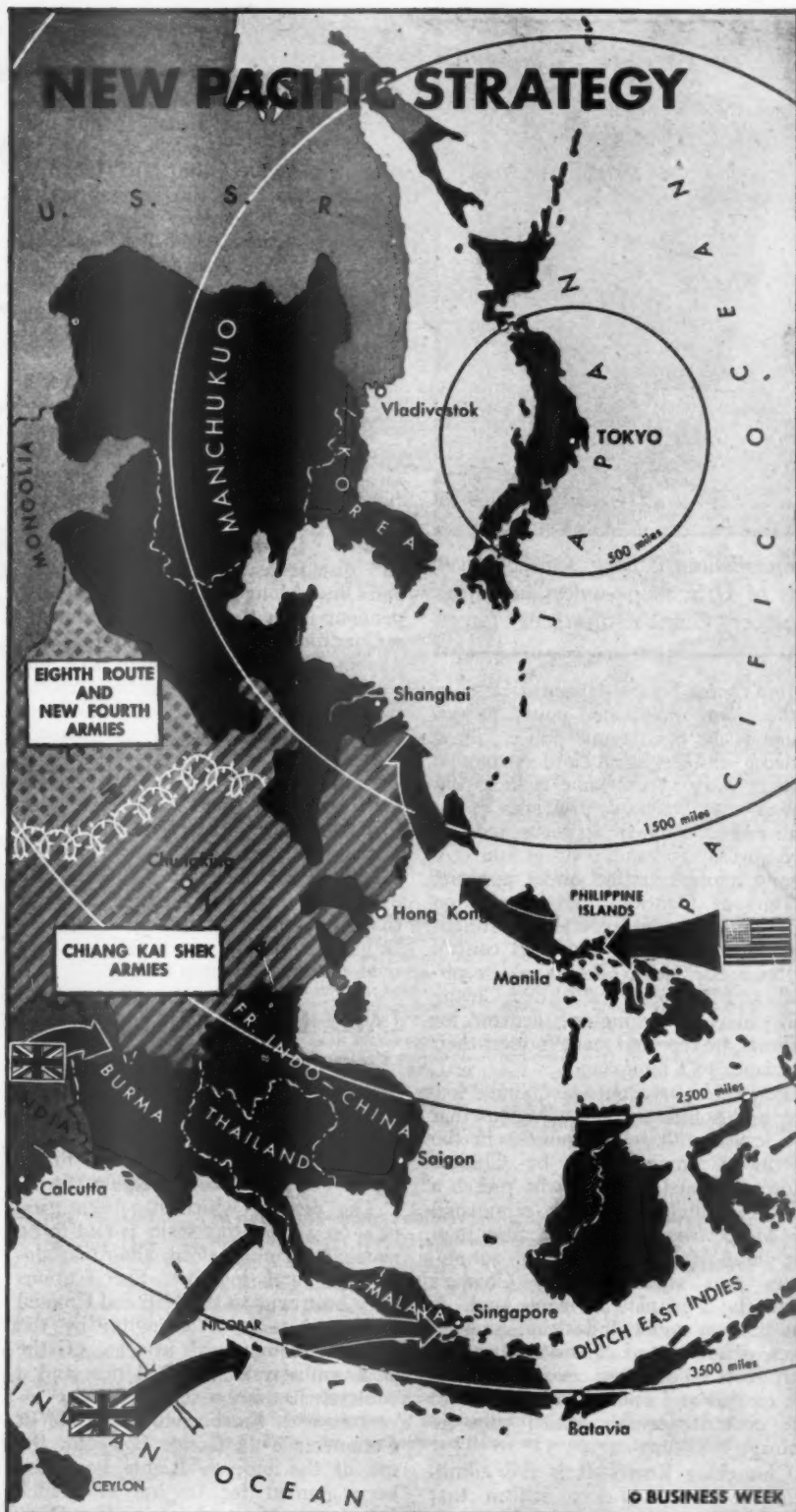
On the military side, it seems clear that current Philippine successes—particularly destruction of Japanese sea strength—portend direct attacks on Japan from Formosan and North China bases (map) shortcutting earlier plans for extended and time-consuming battles starting from bases in South China. That will be Chiang's show.

Undemocratic Regime—But in addition, Washington has bluntly, if quietly, demanded a housecleaning of the Chungking government and a renewal of efforts to compromise the differences between the Kuomintang and the military government of Yen-an. There is no official report on these issues, but the facts are ascertainable and startling. They have troubled Allied councils for a long time (BW—Sep. 11 '43, p. 48).

The Kuomintang stands accused of being an undemocratic and corrupt government representing the interest of the warlord, banker, landlord hierarchy in Chungking. Although its defense against the Japanese has been valiant and constant, it has been less effective than it might have been if feudalistic and authoritarian methods had been abandoned in favor of a mass-supported, democratic administration.

Strength Diverted—The desire of the Kuomintang to keep political control has compelled it to divert armies (estimated to number 500,000 men) and munitions to limit political influence and military effectiveness of the Eighth Route and new Fourth armies to Northern Shensi province and behind the Japanese lines in Hopei, Chahar, and Siantung provinces.

The Kuomintang party, headed by Chiang—warlord heir to the mantle of



Recent U. S. naval victories will speed defeat of Japan, shorten the route to Tokyo, make extensive fighting inside China unnecessary. Britain's job is to mop up the Dutch East Indies, Ma-

laya, and Burma. Meanwhile, politically divided China will get U. S. arms and economic aid so long as Chungking throws its full military strength against the enemy, avoids civil strife.



Generalissimo Chiang Kai-shek faces loss of U.S. help—unless he brings together China's divergent forces.

China's great liberal statesman Dr. Sun Yat-sen—has maintained power by systematic use of secret police, firing squads, and political and economic bribery while at the same time paying lipservice to Dr. Sun's principles of liberalism and to blueprints for representative government and political and economic reforms drafted under pressure.

• **Tenuous Control**—Today, according to competent and experienced American officials, this authoritarian control is tenuously held. Provincial ex-warlords and landlords, fearful that Chiang will yield to Washington's demand for reforms, are reported ready to sever their allegiance to Chungking.

Few careful students of Chinese history and politics dispute assertions that the leftist military government in the northwest provinces—led by Chinese Moscow-trained Marxists who preach a Chinese brand of socialism repudiated by Moscow—is more democratic than the Chungking regime. It is an autonomous area separated from Chiang's China by a guarded no-man's land. It has its own mines, industries, cooperatives, schools, and administrative departments. Town mayors and councils are elected and send representatives to the central assembly which pays no homage to Chungking.

• **Chungking Reacts**—It is this admittedly serious and deep schism that Washington seeks to close. It is possible that diplomacy has failed and that Washington has threatened, unless Chiang cleans house and cooperates with the Eighth Route and new Fourth armies, to cut off lend-lease military aid and divert the flow of supplies (through

the Soviet Union) to the northwest area.

Chungking's reaction to this pressure has been to remind Washington that China is a sovereign state responsible for its own affairs.

• **Heavily in Debt**—But this does not gainsay the fact that the Generalissimo's government and country are in hock to the other partners of the Big Four concord. On top of a several-billion-dollar prewar debt has been heaped since 1937 another \$1,500,000,000 in credits from the United States, the United Kingdom, and the Soviet Union.

This debt would not be large for a politically and economically secure government—both Britain and the Soviet Union are more deeply in debt to the U. S. But in addition to the domain ruled from Chungking there is a part of China held by Japan, another governed by the rival Yenan government, and distant sections (Tibet, Sinkiang, and Outer Mongolia) only nominally dependent upon the central government.

• **Conditional Aid?**—In similar instances, the United Nations have unequivocally demanded political reform (in Yugoslavia, Bulgaria, Hungary, Greece, Rumania, Italy, and Poland).

If Chungking has received American aid until now on the grounds of military expediency there is less reason for this now since the victories on Leyte. But concern for the future, and insistence that Allied arms shall not be used for civil war in China may demand that U. S. military and economic aid be granted only on condition that it be used against a common enemy.

LATEX BY ELECTRICITY

JOHANNESBURG—Two young South African ex-soldier scientists, Percy Torr and Eric L. Gericke, have devised an electrical technique for coagulating rubber latex which they claim to be superior to present commercial methods.

The process, which has been tried only on a laboratory scale, is said to be simple to handle, clean, almost instantaneous, and low-cost. Specifications have been sent to the National Council of Inventors in Washington by the assistant commercial attache of the U. S. embassy in South Africa, and a contract has been signed by the inventors with the Societe Forestiere et Commerciale du Congo Belge for the use of the process. Rights have also been granted for its use in French Equatorial Africa, Nigeria, the Cameroons, and the Gold Coast.

Details of the process are not available, but the experimenters reported great difficulty in duplicating the effects of the usual chemicals with electrical current.

Balk at Machines

Mexican farmers are slow to accept mechanization despite government prodding and aid in instructions and purchases.

MEXICO, D. F.—Pursuing a policy of encouraging mechanization and modernization of farming, the Mexican government has spent \$6,000,000 this year on agricultural machinery purchases in the United States.

• **To Boost Yield**—Primitive methods of cultivation have kept production per acre extremely low in Mexico. Corn production, for instance, averages only 584 lb.—compared with a U. S. average of nearly one ton or 2,000 lb. per acre. Consequently, the government embarked upon a program of modernization four years ago.

The first step, in 1940, was granting of a subsidy to enable farmers to buy modern steel plows. Under this program, the federal government, the state government, and the individual farmer shared equally in paying the cost of the plow. Because state governments failed to provide funds to meet their share of the cost, purchases lagged. In 1941, the federal government offered to split the cost with the farmer.

• **How Sales Are Handled**—Sales of equipment are handled either by the Dept. of Agriculture or through the Banco Nacional de Credito Ejidal, official farm credit bank with \$12,000,000 capital. This bank was created in 1936 to lend funds to former laborers who had received land grants under the agrarian reform program. In addition, the bank offers them technical help with their crops, fighting plagues, marketing produce, and acquiring equipment.

In spite of the facilities provided by the government, progress was slow. In 1943, for instance, only 11,000 plows were sold to farmers.

• **Advanced Phase**—A second phase of the modernization program was started in 1943, when by another decree the government provided credit facilities for more highly mechanized equipment and for centers for the distribution, care, and repair of farm machinery.

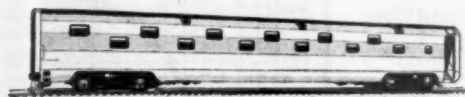
Since then, the bank has imported tractors and harrows which it sold at cost. The price is \$1,250 for a 14-hp. Ford-Ferguson tractor (BW—May 20'44, p36), complete with two-disk harrow, reaper, cultivator, and plow. By March of this year, credit facilities had been made available for the sale of 919 tractors and 629 harrows.

• **On Soviet Pattern**—By the same date, 31 machinery centers, patterned after

HERE IS THE NEW LOW-COST

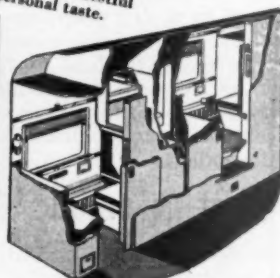
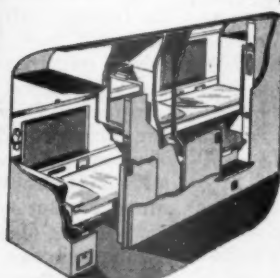
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FOR NIGHTTIME—A comfortable room, with all service lights and noises locked out. Every facility for restful sleep is built in for adjustment to your personal taste.



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YOUR ROOMETTE BY DAY

Arranged on each side of a center aisle, alternating rooms are two steps below the others. Their adjustable seats, beside large windows, have sponge rubber backs and seat cushions in the latest body-fitting contours. Each is equipped with complete toilet facilities; comfortable full length bed, individual control of heat, light and air conditioning; cooled fresh drinking water; liberal (out-of-the-way) space for baggage.

★ ★ ★

In our engineering exhibit rooms, the trains of tomorrow are made up today. The "Threedex" commuters' coach . . . the new "Day-Nite" Coach . . . an entirely new arrangement in Dining Cars . . . and many other postwar cars of improved types are ready for production. They are the result of a planning and research program which will help create employment in the days to come. Today, our first task is producing armaments, and new cars must await the release of men and materials. Then, the Duplex-Roomette and a whole series of lightweight, extra-comfort cars can be built for the streamlined fleets of progressive railroads.

Completed and placed in service shortly after Pearl Harbor, this Duplex-Roomette is the *first and only* of its kind ever built. Typical of Pullman vision and leadership, it is a true "pilot" model of the postwar, popular, private room-car . . . the car the public has been waiting for.

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the machine tractor stations in the Soviet Union, had been set up and supplied with 1,329 tractors, 1,128 harrows, 191 threshing machines, 42 sowers, 15 mowers, and 41 trucks. Part of the \$6,000,000 of farm equipment being acquired in the U. S. this year will be used to expand these facilities.

Any small farmer owning not more than 50 acres of irrigated land and not more than 100 acres of dry land is entitled, under certain conditions, to government assistance in the acquisition of farm machinery, and every farmer or member of a farm cooperative buying equipment is entitled to free instruction at the machinery centers. These centers not only teach operating methods, but also propagandize for modernization of farming.

● **Fractional Coverage**—And yet this expanded program reaches only a small fraction of the 12,000,000 rural inhabitants of Mexico. Most of these farmers are far too poor and uneducated to be inclined to accept progressive farming methods. Even the 8% annual interest rate charged by the bank for farm tools (low for Mexico) is considered too heavy a burden, and the farmer prefers to continue using the primitive tools of his forefathers.

BAUXITE IN JAMAICA

Sir Alfred d'Costa, retired solicitor and supreme court registrar, owns a 5,000-acre farm in St. Ann's parish in Jamaica. Three years ago, when crops



were bad, Sir Alfred sent a sample of soil to the local agriculture department. Report: The soil contained over 30% alumina.

Sir Alfred rushed samples of his bauxitic soil to London, Ottawa, and Washington. In 1942, Aluminum, Ltd., of Canada began soil surveys, found ore containing more than 50% alumina, less than 1% silica. Last year a subsidiary, Jamaica Bauxite, Ltd., was born, and began to option, test, and buy land. A year ago, Reynolds Metals Co., fresh from explorations in Haiti (BW-Apr. 15'44,p114), moved in as a land buyer.

Neither company has progressed beyond the exploratory stage. Not until the war ends, will machinery and shipping be available for exploitation.

Sir Alfred asked a cool \$800,000 for his farm, plus a royalty per ton of ore. To date, there have been no takers.

CANADA

Bars Loosened

Canada gives industry quiet tip to go as far as possible with civilian goods production, but exports are preferred.

OTTAWA—While public interest centered upon the Canadian cabinet "crisis" last week (page 117), businessmen kept an eye on signs and portents of a return to peacetime ways. They saw:

(1) The green light being given to civilian goods industries—especially those with sizable export orders—insofar as materials and manpower permit.

(2) Wartime Prices & Trade Board, the civilian control agency, planning an early exit from bulk buying and subsidy of imports.

(3) Minister C. D. Howe's new Reconstruction Dept. setting up a board of directors to coordinate different aspects of reconversion and reconstruction.

● **Plans Under Way**—Although official announcement of V-E Day cutbacks and scuttling of war controls over industry and materials was due a month ago but was deferred, reconversion moves are actually under way.

Two factors militated against disclosure of the depths of proposed V-E Day cutbacks—reported to be around 50%: (1) revising of estimates of the date of German collapse well into 1945, and (2) organizational problems encountered in shifting personnel from the war-born Munitions & Supply Dept. to the new Reconstruction Dept.

● **Industry Gets Signal**—Meanwhile, sotto voce, industries such as steel, machinery, textiles, foods, newsprint, and other paper products are being told to go as far as they can with civilian goods manufactures. The right-of-way is broader where there is export demand for the goods.

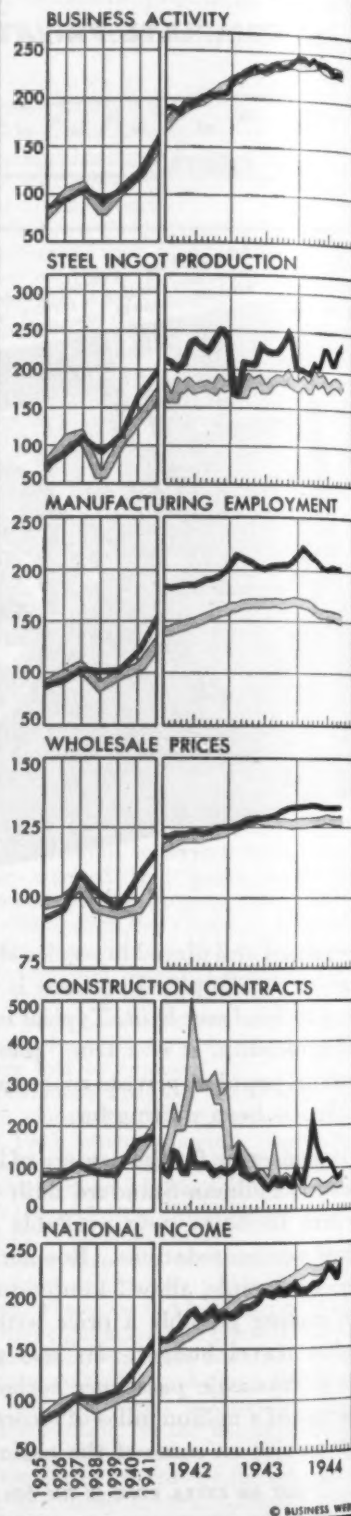
As supplies of raw materials ease, WPTB is revoking production and standardization restrictions from day to day, continuing a trend started earlier (BW-Sep.16'44,p116).

When wartime controls were clamped on, Canadian businessmen despaired of ever prying them off. Now these are being shed with dizzying swiftness. Some trade interests, for instance, would like Commodity Price Stabilization Corp., a division of WPTB, to continue bulk buying of fruits, nuts, tea, coffee, sugar, and spices. But officials on that job consider the emergency

TREND OF BUSINESS CANADA AND U.S.A.

1935-39=100

CANADA — U.S.



and are prepared to turn buying to business. Only imports subject international wartime agreements—and tea—will remain in the corporation's hands.

Consult Business—Howe's Reconstruction Dept. is designed to promote maximum production and employment, and will consult with business on its plans.

visions to be set up include: industrial conversion and expansion, industrial research, economic research, disposal of war assets, public works, housing and community planning.

Some of the top men in the Munitions & Supply Dept. will direct these actions, among them Director General Production Harry Carmichael and Herman Gerald Godsoe of War Industries Control Board.

Work on Problems—As director of industrial research, Dean Mackenzie, president of the war-expanded National Research Council, will turn over most of his laboratory facilities to assist industry with postwar problems.

As director of economic research, W. A. MacIntosh of the Finance Dept. will consider, among other things, effect of taxation on the ability of industry to do its part in Canada's program for maintaining high rates of employment and production, raising living standards, and financing broad social security measures.

AFT ISSUE FLARES UP

OTTAWA—Canada's No. 1 war-tough and scholarly Gen. Andrew L. MacNaughton, is back in the cabinet, as Minister of National Defense. Canada's cabinet, in two-week session, accepted the resignation of Col. L. Ralston as defense minister, and accepted the appointment of Gen. MacNaughton as his successor. Cause of the crisis was rapidly rising casualties in Canada's overseas armies, flagging enlistment for overseas service (Canada's conscription law bars conscription for overseas duty), while an estimated 70,000 home-guardsmen (Canadians called "zombies") continue to drill at home and refuse to ask for foreign service which 700,000 of their countrymen have volunteered.

The issue of conscription for overseas service, anathema to French-speaking nationalist Quebec province, on which Mackenzie King's Liberal government has heavily for support, was resurrected as Canada's fighting men that "zombies" might get the first and peacetime jobs.

Gen. MacNaughton will have the job of posting volunteering to keep Canadian forces at full strength for the war.

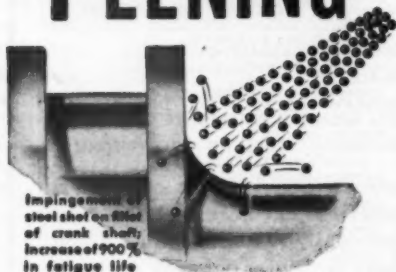
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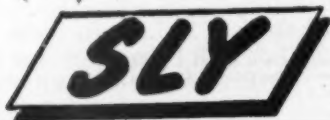
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THE MARKETS

(FINANCE SECTION—PAGE 66)

Although market action already had indicated that most investors and traders were about reconciled to President Roosevelt's election for a fourth term, there was quite a little price irregularity on the stock list at the New York Stock Exchange the morning after election day.

● **Heavier Trading**—No avalanche of selling orders descended on the market, but Wednesday's early weakness was accompanied by a somewhat heavier level of activity than has been seen lately. The selling was general then, and a variety of stocks, including some old-line pivotal issues, disclosed losses soon after trading got under way.

Percentage-wise, greater losses were shown in the utility list than in any other section of the market, since there had been quite a little pre-election speculative buying of such shares, either as a hedge for earlier wagers that were made on President Roosevelt or as a long-shot gamble that a Dewey victory would cause at least a temporary rally in the utility group.

● **Didn't Last Long**—However, it soon became evident to experienced traders that the general weakness displayed at the opening of Wednesday's proceedings wasn't deep-seated. Long before the first postelection trading session was over, the market was once again showing a disposition to relapse into its former somnolence.

In figuring effects of the election on security prices, most market students had come to believe that a Republican victory would be greeted with a swing upward in prices and that the market might

show an early tendency to slide off the event that the Democratic candidate retained the office.

● **War Worries Now**—Few on Wall Street have ever had any illusions that the longer term trend of market prices would be set by the immediate reaction to Tuesday's election returns.

Instead, they see the average investor or trader now worrying less about the immediate domestic political situation and more worried about such imponderables as the war's length, the depth of the drop in activity arising out of the industrial conversion period, the policies to be set on reconversion pricing, the fate of the Little Steel formula, and future tax prospects.

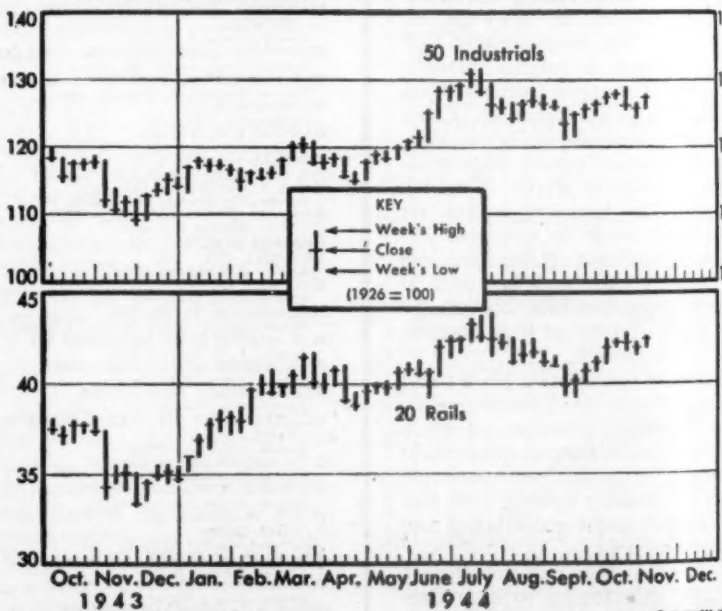
● **Restriction Seen**—Such uncertainties according to brokers, can't be cleared up at the polls. Moreover, until the average buyer-and-seller of securities makes up his mind as to what will be done to change such unfavorable market factors, they expect the basic uncertainties to continue to restrict activity generally as well as any material over-all price changes.

Security Price Averages

	This Week	Week Ago	Month Ago	Year Ago
Stocks				
Industrial ...	127.5	125.8	127.5	112.2
Railroad	42.5	42.0	42.0	34.4
Utility	56.1	55.5	55.7	48.2
Bonds				
Industrial ...	119.2	119.8	120.0	118.4
Railroad	110.3	110.3	108.9	98.2
Utility	116.9	117.0	116.8	115.0

Data: Standard & Poor's Corp.

COMMON STOCKS—A WEEKLY RECORD



Data: Standard & Poor's Corp.

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THE TRADING POST

Foreign Trade—For Whom?

Recent announcement in Washington that Administration officials estimate the export demand for American machinery, tools, and other capital goods average three to four billion dollars annually for at least a decade after the end of the war is interesting, but an increasing number of American businessmen are expressing concern as to whether they will have a chance to satisfy that demand.

For example, the export director for the chemical manufacturer writes to this effect as follows:

Our editorial "Plain Talk on Anglo-American Relations" (BW—Oct. 28 '44, p. 116) is very important. Military needs obviously come first, but the restoration of world peace is only slightly less vital, and the task before us is to begin. Business men should cooperate actively. Government cannot do it alone.

Many of us, therefore, are glad to see the foreign representatives here but deploring the fact that American business men are not allowed to travel by their own government. A few hundred carefully-selected business men could upset neither the transportation nor the food supply of Europe, and they could contribute greatly to reconstruction.

We recognize England's special difficulties and know they must be solved in the interests of world stability and prosperity. A policy of unilateral restriction is as autarchic as the economy of the thirties. Congratulations on your perception and frankness.

* * *

The export manager of an American machinery manufacturer who has factory representatives in Europe, Africa, and South America adds judgment as follows:

We have put your finger on the real issue to improved Anglo-American relations and yet it seems to me that before we accept the British position and agree to our export activities, and assign certain areas, as for example, the Near East, to exclusive British trade, we should at least convince the British that there will be enough business for all of us every-

your additional comments you indicate that the British are endeavoring to secure our cooperation in developing markets for British exports; actually, I think they not only have they obtained our cooperation, but they have obtained the approval of our government to this proposal. It is borne out in actual practice. We had license applications rejected with

a simple statement to the effect that the goods can be obtained from Great Britain, and, therefore, no license for export from this side is necessary; furthermore, I have just received word from Iran, where an importer has endeavored for one year to obtain permission to import some of our smaller standard lines of equipment, that there is no quota for imports of these commodities from the United States, and that all requirements must be purchased in Great Britain.

In other words, while publicity is being given in the form of propaganda, favoring more liberal arrangements for British exports, this is probably only educational work on the part of our government before revealing a "fait accompli."

It seems too bad that we are again, in so far as our exports are concerned, moving in the direction of the old idea of "economy of scarcity" on the international scale when there is such a tremendous amount of work to be done in reconstruction and industrial expansion all over the world, for which the facilities of British and American manufacturers are wholly inadequate.

* * *

The official British "full employment plan" places expansion of foreign trade first on the list. Naturally, the need for foreign trade is more important to some nations than to others, but it is evident from these communications that American businessmen in the export field recognize the special problems that face Great Britain as it seeks to regain a volume of foreign trade sufficient to maintain her standard of living.

It also should be apparent by now that new trade relations will develop in the postwar world out of necessity. No one who has given serious thought to the subject expects that we shall see mere restoration of the prewar flow of goods.

No matter what arrangements may be made, by government or business, for dividing up or competing for export trade, the demand for goods, in the immediate postwar period, will exceed the supply. There, it seems to me, is the point that deserves emphasis and that is most likely to be ignored. We shall deceive ourselves to the hurt of all if we base our world trade policies on prewar volume.

We shall come closer to dealing wisely with the problem of foreign trade when we remember that all trade—whether foreign or domestic—must be judged from the consumer's side, and not exclusively from that of the producer. All trade grows out of the need and desire of people to have things, not to get rid of them.

W.C.

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THE TREND

MEMO: RECONVERSION PRICING

Says a memorandum from Business Week's Washington Bureau:

"This is a suggestion that, before long, the magazine carry a 'Trend' on reconversion pricing.

"It should not attempt to go into the statistical pros and cons of whether industry can afford to reconvert at 1942 prices, or at any other price level. With the information now available, this would probably be impossible.

"Rather, it should be a sort of verbal knocking together of the heads inside and outside of Washington.

• "So far as we in industry are concerned, certain points seem to be justified.

"Reconversion goods are going to be subject to price control—tighter than may now seem desirable to us—and we might as well make up our minds to accept this fact with some show of grace. Aside from all other considerations—of inflationary dangers, for example—it would be politically and practically impossible to try to hold the line on other goods and on wages (however feebly) and not control reconversion goods.

"Many of the industries and companies with reconversion pricing problems have had no wartime experience with the broad problems and policies of price control. Before they get down to their own specific troubles, they might do worse that to familiarize themselves with these. The primer on the subject already put out by Administrator Chester Bowles is as good a place to start as any.

"Some manufacturers who are demanding high reconversion prices are simply ignoring competitive realities. And anybody who thinks that an industry can hold a solid front against reconversion if OPA won't concede the prices that its spokesmen urge is equally unrealistic. As an official of the — Manufacturers Assn. puts it, 'There is always a run-out. And just let that black sheep head for greener pastures and the whole industry will follow.'

"OPA reconversion policy is still far from solid and will probably be formed gradually (BW—Oct.28'44,p5). Many of the manufacturers who are making the loudest protests now (some declining even to confer with OPA) don't expect to reconvert for months. All the products which are now actually in process of reconversion—electric irons, shotguns, pianos, aluminum ware, for instance—received prices well in advance of the time they had to have them.

• "To OPA's debit, we think The Trend should chalk up certain points.

"Bowles talked a lot to the public about 1942 prices before he had talked sufficiently to industry; consequently, he threw a scare into industry and made large sections of it antagonistic right off the bat. Bowles points

out that he has never said that everybody should revert at '42 prices; merely that he thought some companies and some industries could, and that '42 prices were to be the starting point in calculating increases. This is perfectly true, but he didn't make his point strongly enough, and the nuances escaped industry.

"OPA's approach to industry has been complicated a lot of talk about big-volume, high-wage, low-price production. On the practical basis of some of his advertising agency experience, Bowles is frankly evangelical on this point. But there is good reason to believe that these are primarily his personal views—though shared by some members of his staff—and that, in the final analysis, OPA pricing policies won't be geared to any theoretical post-volume-bogie.

• "OPA people have talked in generalities—the Bureau of Labor Statistics raw materials price index, BLS statistics, etc. They haven't, in their utterances, made allowances for the little fellow who doesn't happen to conform to the over-all statistics. In any event, the social business can help OPA replace the generalities with actual cost data, the sooner we can all get down to business. (The agency has also made an error in talking much about 'raw material costs.' The radio manufacturer isn't collecting statistics on what copper and steel will cost; what he cares about is the price that his supplier is going to charge him for tubes, condensers, and whatnot.)

"OPA's biggest difficulty—and this is the Administration's fault rather than OPA's—is that reconversion pricing has not yet been fully geared to an over-all policy on production wages. Thus the agency is having to talk reconversion prices at a time when industry doesn't know whether a wage boost is coming, or how much it might be. Even if this had no practical effect, it still leaves the psychological atmosphere pretty bad.

• "Summed up, we think that The Trend ought to say that both OPA and industry could benefit by talking to each other helpfully across the table, instead of crying their separate viewpoints to the public and to Congress. (The public might get the idea that each is simply wasting up valuable time in a contest for strategic advantage, and that we in industry are not uninterested in having our competitors form an exaggerated notion of our plans.) Both OPA and industry are feeling their way in the dark, and two pairs of hands might be better than one."

—To which memorandum, Business Week replied: "Suggestion accepted."

The Editors of Business Week

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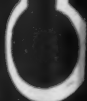
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